

Minnesota Emergency Jobs Act

The purpose of the Minnesota Emergency Jobs Act is to create jobs for unemployed Minnesota workers in the public and private sector while receiving skill training. The program is being designed to closely coordinate with the existing dislocated worker and other WorkForce Center programs to get people back to work at the earliest possible time. Workers will be encouraged to upgrade skills either through full-time training, part-time training or on-the-job training and all participants will be required to have a plan to upgrade their skills while working. Participants placed in public job will be required to look for private sector work while on the program. Workers will have to demonstrate active job search prior to entering the program.

Cost: The Minnesota Emergency Employment Development (MEED) program, on which this proposal is based, was instituted in 1984 and cost the state approximately \$42,300,000 per year over a three year period. This would amount to \$83,400,000 per year in 2008 dollars. An allocation of \$100 million per year would provide for 7,200 jobs, of which a minimum of 60% would be in the private sector. Seventy percent of the funds would be spent on direct wage subsidies to employers and 30% of the funds would provide for program operation, training and worker supportive services.

Private Jobs Allowed: The focus of the program would be on creating private sector jobs that produce additional jobs such as manufacturing, research and export of products and services outside of the state. The focus of the program is to create jobs in the businesses that are likely to expand the State's economic base in future years. Jobs must be new jobs and would require union sign-off if a collective bargaining unit is involved. Funds would also be targeted to small and medium sized businesses.

Private Non-profit/Public Jobs Allowed: Public or non-profit opportunities would also have to be new jobs (with an emphasis on job creation) that would support education, workforce development, health care and green jobs. Jobs would require union sign-off if a collective bargaining unit is involved. No more than 40% of the total jobs in this program could be in the non-profit or public sector.

Duration: The program would operate for a two year period beginning no later than July 1, 2009.

Targeted Population: The program is designed for unemployed Minnesota residents. If a waiver is received to use UI or UI extension funds for the program, the program would target UI claimants who have been actively seeking work for at least 4 months. If UI funds cannot be used, the program would be focused on former UI claimants who have exhausted UI benefits. Veterans would also be a priority.

Medical Benefits: Jobs in the private sector would have to offer the same benefits as other workers. It may not be feasible to expect the private Non-profit and Public sector employers to provide the same level of medical benefits to participants. MN Care with a no wait waiver could be considered as an option.

Additional Private Jobs Provisions: Under the Minnesota Emergency Jobs program, 80% of an employee's wages would be subsidized up to a maximum subsidy of \$9 per hour for six months. The additional 20% of the workers wages would be paid as a retention bonus upon completion of a year of full-time employment. Employers would be required to fill jobs with other applicants to finish out the term of employees who do not complete the year of employment. Employers who do not live up to terms of the agreement would not be able to use the program again. Jobs could pay no less than \$9.00 per hour. A wage no lower than \$8 per hour, however, could be paid if a provider documents a plan to upgrade the wages to at least \$9 per hour. Health care must be included.

Additional Private Non-profit/Public Jobs Provisions: Private Non-profit and public sector jobs will last 6 months and could receive up to \$9.00 per hour of subsidy. Employers are not required to match the subsidy. Employees would not be eligible for unemployment for the period for which they were paid by the program. Private Non-profit/Public sector employees would be eligible for private sector jobs.

Funding: Funding would come from one of the following sources:

1. Federal appropriation
2. State appropriation
3. Combination of Federal waiver to use UI and UI extension funds for entry into the program, and an additional state or federal appropriation

Allocation: Funds would be allocated to workforce service areas through local boards and local elected officials based upon the dislocated worker formula, modified to include the most up to date unemployment information available.

Administration of the program will be provided by DEED.

Services, Support, Training: Up to 30% of funds allocated would be allowable for the purposes of program services, support and training.