



To: Senator Al Franken  
From: Minnesota Workforce Council Association  
RE: Comments on Senate WIA Reauthorization Proposal - Titles I & II General Comments  
Date: June 17, 2011  
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Thank you for inviting the Minnesota Workforce Council Association (MWCA) to provide comments regarding the proposed language reauthorizing the Workforce Investment Act of 1998. As you are aware, MWCA represents the collective interests of the Chief Local Elected Officials (LEOs), Workforce Investment Board (WIB) Leadership, and Title IB service providers across Minnesota's sixteen workforce service areas. It is the mission of the MWCA to provide Minnesota with a skilled and competitive workforce through engaged and proactive local elected officials, workforce boards, and staff.

The Minnesota Workforce Council Association appreciates the inclusion of a new title which outlines the governance of Workforce Investment Act (WIA) programs. We have several over-arching comments regarding Titles I & II, which we will outline below. We have sequenced these in order of priority. We will also provide comments on individual provisions within each Title (see attached charts).

MWCA is supportive of many of the themes outlined in the proposed language. The draft calls for significant coordination between the WIA, Education, and Vocational rehabilitation systems including common performance measures. It promotes more formal regional planning; Minnesota has been voluntarily implementing regional efforts around sector and industry strategies for some time, and MWCA has long advocated that WIA plans should be written and implemented at the local level in alignment with broad policy and program guidelines developed at the state level by the governor and the State Board.

We are concerned, however, that many of the provisions in the proposed language are unnecessarily prescriptive and actually decrease local control, rather than strengthening it. MWCA encourages Congress to advocate that strong local leadership and flexibility for Local Elected Officials (LEOs) and the local Workforce Investment Boards remain at the core of the reauthorization of the Workforce Investment Act. This ensures the development of programs that are informed by in-depth knowledge of the local business community, the hiring and training needs of local and regional businesses, and the promotion of accountability as policies are designed to reflect local trends.

Provisions prescribing new or additional committees (Title I pages 86-88), more narrowly defining some definitions (Title I pages 3-31), prescribing a specific mix of services (Title I, pages 129-132) and establishing requirements for local board directors and members (Title I, page 122) restrict the ability of LEOs and Boards to set the strategic direction addressing the unique needs of their communities. Whenever possible, funds should be allocated directly to local WIBs so that programs can be planned and integrated with existing services, streamlining processes and increasing efficiencies. We strongly oppose efforts to redirect funding – which would otherwise be available for client services - to the Department of Labor to develop services through national grants or to create federal Request for Proposals in which they designate where and how funds are used in a local areas (i.e. Title I pages 159-160). The LEO/WIB partnership ensures that business, labor, economic development and education are all at the table when it comes to deciding who is served, who provides services and what workforce services are provided.

Originally, the idea of providing resources to spur innovation presented by the Obama Administration utilized federal level administrative dollars. The Workforce Innovation Grants in this proposal (Title II, page 143-147) would actually usurp funding that would otherwise be available for direct services to clients. The Obama FY12 Budget originally took funds for these projects from the State set-aside, but this proposal keeps the state set-asides and adds new layers of federal set-asides funded out of the local program service area allocation. As just one example, the proposal states that in years where program appropriations exceed FY2010 levels, the DOL would retain excess dollars to fund these initiatives (i.e. Title II, pages 46-47). It is not opportune to implement another layer of federal programs during a time of high unemployment. Our experience with special federal employment programs is that they are poorly integrated with other services, have limited impact and are not sustained.

Creation of special projects that have no money to sustain continued services – and require local matching funds - should not be promoted unless significantly more resources are devoted to the system as a whole. In that case, it would be more prudent to allocate resources to local Workforce Boards who can direct the resources to proven strategies that will have the greatest impact on unemployed and underemployed individuals in their service area.

Also of concern in regard to resources is the inclusion of an accountability measure that measures the percentage of participants who are in training after they exit the program. We do not see why this measure is included. It would require us to start serving people in training with no additional resources to provide this service. We contend an effective system provides the most appropriate service and has funding to train those who need it. Additionally, some new program measures seem to actually contradict each other (Title I, page 132, IV and V) or hold us accountable for performance outcomes over which Boards do not have direct control (Title I, VI).

The current Workforce Investment Act mandates the co-location of several programs to support a robust, locally-led, One-Stop system. Under the 1998 Act, no funding is allocated specifically to deliver universal services to any job seeker that walks into a resource room; rather, funds are cobbled together from the dollars of each of the programs located in the One-Stop. Provisions outlined in the Senate proposal to address this issue (Title II, pages 19-24) are confusing and may not achieve the intended goals.

The primary unfunded cost in our One-Stops is the core service area costs which provide services to customers not enrolled in an eligibility based or special program. The provisions of the bill limit the ability of WIA Adult and Wagner-Peyser – the only two programs currently authorized to spend funds on these customers- to spend dollars on infrastructure to serve them. Local Boards should determine how much Adult and Wagner-Peyser funding is spent locally on services for non-program participants. Funds that are used to provide core service to universal customers should not be considered administrative costs. The infrastructure costs continue to be charged as they currently are- service, not administrative costs.

MWCA considers the Governor's Workforce Development Council (GWDC), our state board, a critical ally in positioning Minnesota to remain competitive in our quickly changing economy. In regard to the relationship with the state board, MWCA would welcome language encouraging state boards to carry out functions "in partnership with" or "in consultation with" local boards, to align and strengthen the overall system. MWCA encourages Congress to ensure that WIB members and LEOs are members of the state board. We support adding a provision to federal law requiring that at least 50% of the State WIB members are nominated by the local WIBs, much like the current Minnesota Statutes (Minn. 116L.655, Subd. 2). We would also encourage Congress to consider maintaining the requirement that the Chair of the state board be a representative of private industry, reflecting the makeup of local boards across the system, and that they be appointed by the Governor.

Congress should consider modifying laws governing mandatory partners outlined in this provision (i.e. the US Department of Education) to mirror any collaborative language ultimately included in this Act. Doing so would strengthen the commitment necessary to ensure that our national employment and training efforts are aligned for successful implementation.

On a final positive note, as one of only three states that has a Concentrated Employment Program, we are pleased that language maintaining the status of these entities is included in the draft proposal.

We understand there will be opportunities to further discuss these concerns with you as the legislative process moves forward. Again, we appreciate your invitation to provide comments and thank you for your continued leadership and support of the workforce system.