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MWCA Mission:

It is the mission of the Minnesota Workforce Council Association to provide Minnesota with a skilled and competitive workforce through engaged and proactive local elected officials, workforce boards, and staff.

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ACTION ALERT

There are provisions in the House and Senate Jobs bills which would dramatically alter the way funding is provided to the Dislocated Worker and Minnesota Youth program in the future. We are asking MWCA members and supporters to reach out to legislators to encourage them to reconsider their proposals as the process moves forward. This update will provide detailed descriptions of the bill as well as talking points to share with your legislator. We know there is a lot of information in the following pages; if you have any questions we encourage you to call Anne Olson (contact information on last page).

State Update

After several weeks of keeping an eye on the Federal funding process we have turned our attention to the State House and Senate Budget proposals.

Last week, House and Senate committees were focused on hearing and passing budget bills through the committee process. This week, most of those bills will move to the House or Senate floor for approval. After passage, the House and Senate bills will go to Conference Committee where the language needs to be agreed upon by both bodies.

The bills will be voted on the floor again and with passage, sent to Gov. Mark Dayton's desk to be signed or vetoed. The governor has indicated he does not want a piecemeal approach to the budget and wants all bills to be negotiated as a complete budget and sent to him as such.

What is included in the various proposals of interest to MWCA Members and Supporters?

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 originally; through amendment will receive funds from Mpls Summer Youth).

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.

The Following talking points can be used in discussions with your legislators:

Senate Jobs and Economic Development Bill Talking Points

Dislocated Worker Program

The Minnesota Workforce Council Association opposes the shift of Formula Dislocated Worker Workforce Development Fund dollars to the General Fund. We ask the Senate to adopt the House position on financing the Dislocated Worker Program which maintains current dedicated levels of dislocated worker funding and does not add formula allocated funds to the competitive process. The Dislocated Worker Program served the largest number of individuals in program history in SFY 2010, and many WorkForce Centers still have long waiting lists for Dislocated Worker Program services.

The Association has the following concerns related to the competitive process for the formula allocated dislocated worker funds:

- The Senate bill is in contradiction to the Legislative Auditor's report. The Auditor's Office does not recommend a competitive grant process be established for the dislocated worker funds allocated to Workforce Investment Boards. The Auditor only recommends a competitive process be established for special funds given to independent grantees.
- Each workforce service area has a local Workforce Investment Board, appointed by Local Elected Officials and made up of private industry representatives, and it is their role to direct local formula allocated resources to activities that address the greatest needs in their communities. Boards have the flexibility and do establish competitive processes at the local level with the dollars they receive. This bill sets up a process where these decisions would be made at the state level versus local areas.
- Local Workforce Investment Boards are in the best position to allocate formula resources where they are needed. Local business leaders are the majority members on the local boards. They are keenly aware of industry needs, and they ensure that the local systems remain responsive to job seeker needs.
- The process, as outlined in the bill, will simply not work for the Dislocated Worker Program. A competitive process does not allow the Workforce Service Areas to be responsive to the needs of displaced workers impacted from small layoffs that walk into WorkForce Centers every day in need of services.
- The funds are generated by a tax on employers who expect the dollars to be used specifically for the training of Dislocated Workers. Opening this pot of money to competitive processes could in fact erode employer support for the fund. If anything, due to current demand, we should be working even more diligently to ensure the original intention of this special funding is maintained.
- Training services to dislocated workers crosses multiple fiscal years and it would be difficult to have continuity of services between funding years.
- State Dislocated Worker funding is highly integrated with Unemployment Insurance, Federal Workforce Investment Act and other local services offered through the Workforce Center. Separating the State Dislocated Worker program from these services would compromise the efficiencies that Minnesota has gained under the local Workforce Investment Boards and the WorkForce Center service model.
- The State Dislocated Worker Program has established performance requirements that are imposed by the State and regularly monitored by DEED. This program was recognized by the State Auditor as having significant positive outcomes when compared to a control group.
- Our Return on Investment model indicates that \$3.28 was returned for every \$1 invested this past year.

Minnesota Youth Program

We are concerned that the Minnesota Youth Program is included in the competitive grant process outlined in the bill, beginning FY2012.

- The Legislative Auditor's Office (OLA) did not include the Minnesota Youth Program in the list of pass-through grants that may benefit from the additional oversight that a competitive process may provide. DEED regularly monitors the Minnesota Youth Program and there are specific outcomes that must be achieved by each provider.
- The program dollars are distributed by a formula that directs funding based on need in all of Minnesota's 87 Counties. This ensures that disadvantaged youth from all counties of the state are served. Local Workforce Investment Boards, appointed by Local Elected Officials and made up private industry representatives, direct the resources to address the greatest needs in their communities. Local boards can and do implement a competitive process at the local level with the dollars they receive.
- The local boards have Youth Advisory Councils which assist them with determining how programs are administered. This process ensures strong community input with program design and delivery. Turning this function over to a State Board which is not focused on youth, would jeopardize the quality of the program.
- Youth services are designed to provide youth with long term interventions that often cross multiple years. Continuity in services is essential in building relationship with youth and key professional in the community. This integrated service model is focused on reducing barriers, building self-esteem, gaining workplace competencies, and promoting education completion. The competitive grant process would negatively impact this effective local model.
- Minnesota Youth Program services are integrated with other funds in the local area such as Workforce Investment Act and Department of Human Services. A competitive grant process could seriously jeopardize local areas ability to maximize these resources.



House Jobs Bill Talking Points:

Dislocated Worker Program

We are pleased to see an increase in the bottom line in the Workforce Development Fund. The Dislocated Worker Program served the largest number individuals in program history in SFY 2010, and many WorkForce Centers still have waiting lists for Dislocated Worker services; we appreciate the support of the committee for this program.

Minnesota Youth Program

We are concerned that the Minnesota Youth Program is included in the competitive grant process outlined in the bill, beginning in SFY2013.

- The Legislative Auditor's Office (OLA) did not include the Minnesota Youth Program in the list of pass-through grants that may benefit from the additional oversight that a competitive process may provide. DEED regularly monitors the Minnesota Youth Program and there are specific outcomes that must be achieved by each provider.

- The program dollars are distributed by a formula that directs funding based on need in all of Minnesota's 87 Counties. This ensures that disadvantaged youth from all counties of the state are served.

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- Minnesota Youth Program services are integrated with other funds in the local area such as Workforce Investment Act and Department of Human Services. A competitive grant process could seriously jeopardize local areas ability to maximize these resources.

We are concerned about the proposed 30% cut to the Minnesota Youth Program in SFY2012.

- The current economic recession has dramatically impacted employment for youth. The unemployment rate for all youth in Minnesota is 21%, the highest rate recorded since World War II era and double that for youth from communities of color. Disadvantaged at-risk youth are experiencing even higher unemployment rates.

- The Minnesota Youth Program provides employment and training services to youth in all 87 counties: 100% of the participants receive work safety training.

- MYP engages an extremely disadvantaged group of young men and women. MYP participants have multiple challenges in addition to being poor. Over 35% of MYP participants are youth from communities of color and over 40% come from families on public assistance.

- Minnesota Youth Program participants, ages 14 to 21, who are lacking in both academic and applied skills, have the opportunity to develop experience critical for current and future workplace needs.

- These participants receive immediate direct benefit from their earnings in work experience. MYP provides structured, well-supervised work experience, educational opportunities and life skills training that establishes good work habits and provides specific job skills.

- Research has shown that the number one predictor of future success in the workforce is early exposure to work experience. Early work experience, jobs and access to critical education supports and services shapes the performance and wage earnings ability for youth well into the future.

This program positively impacts local economies and benefits local employers who serve as mentors to disadvantaged youth.

- The Return on Investment is \$4.25 returned for every \$1 invested.

Tips for Letters, Calls and Emails

- Be brief. Keep letters to one page, and plan on phone calls lasting three minutes or less.
- Identify the issue/bill at the beginning of the letter or phone call. Get right to the point and stick to one issue/bill.
- Identify yourself and the reason for your expertise.
- Make your letter informative. Give reasons for supporting or opposing a particular measure – how will it affect you, your business, and your community?
- Make the letter your own. Use your own words, and stay away from form letters.

Tools for Legislative Outreach

Find Your Legislators

- Review MWCA Talking Points on House and Senate Proposals to help you get started. Remember to make your letter or call your own – put it in your own words!

Addressing Your Letter

House

Honorable (Full Name)
 Minnesota House of Representatives
 Room # State Office Building
 100 Rev. Dr. Martin Luther King Jr. Blvd.
 St. Paul, MN 55155-1298

Senate

Honorable (Full Name)
 Minnesota Senate
 Room # Capitol Building
 75 Rev. Dr. Martin Luther King Jr. Blvd.
 St. Paul, MN 55155-1606

Keep us informed!

We'd love to know more about your efforts to reach out to legislators. Send an email to Anne Olson to let us know how you've reached out.

If you wish to be added or removed from this distribution list, you may request to do so by e-mailing aolson@mncounties.org

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