



April 28, 2021

Senator Pratt
Senator Rarick
Senator Draheim
Senator Housley
Senator Eken

Representative Noor
Representative Ecklund
Representative Olson
Representative Hamilton
Representative Berg

Dear Members of the Jobs/Labor Omnibus Bill Conference Committee,

As you are aware, the Minnesota Association of Workforce Boards (MAWB) represents the cooperative efforts of the sixteen local workforce development areas in Minnesota including providers of Adult, Dislocated Worker and Youth employment programs; the local Workforce Development Boards (WDBs) who oversee investments of state and federal employment and training dollars; and the Local Elected Officials who appoint members to the boards.

Statewide workforce development programming is imperative, given the unprecedented numbers of workers laid off during the COVID-19 pandemic coupled with existing economic disparities in our state. Stable, predictable funding for programs that continue to successfully serve constituents in all 87 counties is critical. We are grateful for your work towards passing HF1342/SF1098. We would like to highlight specific aspects of the House and Senate proposals which we support or have concerns with.

Workforce Development Fund

The House bill proposes a major change to the Workforce Development Fund (WDF) and how workforce funding is allocated across the state, with up to 65% of the funds going to competitive grants operated by DEED and at least 30% of the funds going to the Dislocated Worker Program (116L.17). We support the intent of the competitive grants to address economic disparities throughout our state. However, our analysis of the proposed change shows this would represent a significant reduction in funding to the Dislocated Worker Program, should DEED utilize their full allowable allocation. The bill does not provide direction as to how DEED will implement the grant process or determine funding levels. Given the current economy, Dislocated Worker programming will be in significant need over the next biennium and any reduction would be harmful. This program provides much-needed services to individuals who have been laid off, including incumbent worker training which is much sought after by Minnesota employers.

The House bill provides increased flexibility for eligibility to the program, something MAWB has advocated for to be able to serve a more diverse pool of jobseekers. We thank the House for including these changes in the bill but are concerned about our ability to deliver services should resources be substantially diverted.

The Senate bill maintains the current WDF structure, directly appropriating funding to workforce development organizations, with the remaining balance going to the Dislocated Worker Program. **We suggest appropriating this level of funding to DEED for competitive grants and reserve the remaining funds for the Dislocated Worker Program.** MAWB implores the House and Senate to ensure the program is funded at a level which ensures that this critical statewide program remains intact.

Minnesota Youth Program

The House bill recognizes the importance of the Minnesota Youth Program (MYP); however, it does not allocate a specific dollar amount for this critical program that provides formula funding to the local Workforce Development Boards to serve youth with barriers to education and employment. **The Senate bill allocates**

\$8.1 million in funding for MYP, consistent with the last biennium, and we ask that this funding level continue.

MYP, established in Minnesota Statutes 116L.56 and 116L.561, is the only youth employment program that offers services to youth from all 87 counties across the state. Funds are allocated through a statutory county-based formula based on need. Local Workforce Development Boards, appointed by Local Elected Officials and made up of local business leaders, direct the resources to address the greatest needs in their communities. Local boards can—and already do—implement competitive processes at the local level with the dollars they receive through the State. DEED regularly monitors the Minnesota Youth Program and works with all service providers to achieve required outcomes. MYP has consistently met or exceeded established performance goals.

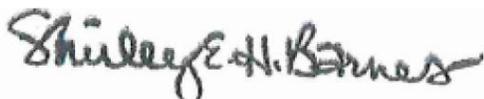
Higher Education Career Advising Program

The Senate appropriates \$500,000 in general fund dollars for the Higher Education Career Advising Program (HECAP), while the House does not appropriate any. MAWB strongly supports funding for this important program which Workforce Development Areas/Local Workforce Development Boards utilize to partner with public school districts to assist high school students in choosing careers and achieving the education and training required for their chosen path. This partnership is particularly important in Minnesota where counselor-to-student ratios remain among the worst in the nation.

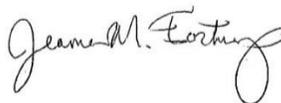
Minnesota prides itself on having a top-notch workforce, yet some critical gaps exist. Although the reasons for these gaps are complex, it is clear that well-funded employment and training programs are necessary for ensuring that employers have the workers they need. Now, more than ever, the state needs strong Workforce Development Boards, a robust statewide system, and a coordinated and responsive strategy. It is critical that the Legislature be thoughtful about the impacts of current proposals.

We thank you for your work on this budget bill on behalf of all Minnesotans. If you have any questions, please don't hesitate to contact Jeanna Fortney at jfortney@mncounties.org or 703-606-2442.

Sincerely,



Shirley Barnes
Chair, Minnesota Association of Workforce Boards



Jeanna Fortney
Director, Minnesota Association of Workforce Boards

cc: Andy Eilers, Committee Administrator
Travis Reese, Committee Administrator