

June 3, 2020

Dear Chair Hortman and members of the Select Committee on Minnesota's Pandemic Response and Rebuilding,

The Minnesota Employment Services Consortium (MESCC) and WorkforceNext (WFN) are two consortia of approximately 25 major nonprofit community-based workforce development providers. Together, we typically serve 50,000 Minnesotans annually in accomplishing their workforce goals.

The events of the last week have served to intensify the light shining on the long-standing racism and systemic injustice in Minnesota and the call for action sparked by the murder of George Floyd. Combined with the global pandemic and its physical and economic impact on people of color and indigenous people, we recognize the compounded need to support individuals and families on a path to secure careers with family-sustaining wages.

Our services will be critically important in the coming year as we help get our state back to work. We must focus recovery efforts on several populations: (1) those that are typically the last to be hired in a full economy and first to be laid off in an economic downturn; and (2) those who will experience dramatic shifts in our economy and face potentially permanent layoffs in industry sectors that will not be the same following the pandemic. Our organizations are poised to support Minnesotans—and specifically people of color and indigenous people—by providing access to the training and navigation supports that will be needed in the new economic realities of the state.

We recommend the legislature invest \$10 million in a new pool of flexible funds administered by DEED, separate from their traditional workforce grants, to support mission critical functions of community workforce organizations, to avoid closures as traditional funding streams decline and support technology needs that will help our participants and organizations pivot to virtual training and remote services.

These flexible funds could help our organizations in the following ways:

- Ensure culturally responsive wrap-around supports to help individuals and families overcome financial hardships due to lost wages
- unemployment application support
- employment services to meet the needs of currently laid-off clients and the increased demand for employment services once the economy restarts
- technology needs (including wiring, hardware, software, digital capacity etc.) of organizations and participants to move to a combination of hands-on and virtual training
- researching, developing and scaling of virtual training tools and platforms to ensure hands-on learners are able to achieve skills and credentials needed to compete in a new economy
- training for workforce providers on delivering state of the art digital learning

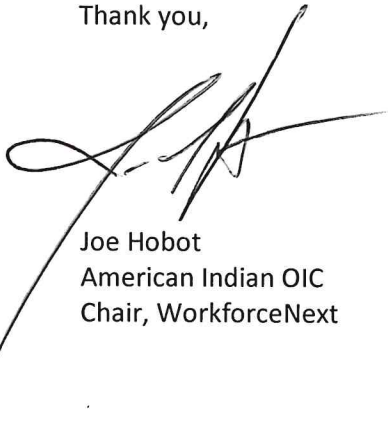
Flexibility in funding will be critically important in helping us respond to emerging community needs as issues arise. Each of our organizations is adept at providing documentation and outcomes reporting to ensure accountability of the use of funds.

Our organizations have the capacity to sustain programs that work AND expand services and programs to meet emerging needs and training for the post-COVID-19 economy. This investment in workforce nonprofits to be steady and strong is critical to ensure all Minnesotans go back to work and that the organizations supporting this have the resources to respond to the immediate and long-term workforce needs created by this pandemic.

An immediate investment by the state legislature will also ensure organizations are ready to respond to eventual federal stimulus opportunities to bring recovery dollars to the State for specific post COVID-19 training and workforce needs.

Thank you for your consideration of this recommendation as we look to the future recovery of the state and the need to move thousands of Minnesotans back into the workforce. Together, we can do so in a way that avoids widening current disparities, centers on the needs of job seekers, and intentionally advances an inclusive economy.

Thank you,



Joe Hobot
American Indian OIC
Chair, WorkforceNext



Julie Brekke
Hired
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Michael Wirth-Davis
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