



GWDC

GOVERNOR'S WORKFORCE DEVELOPMENT COUNCIL 2006 Policy Advisory

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THE ISSUES

- **Minnesota's workforce is changing.** According to the State Demographic Center, by 2030, the number of Minnesotans over the age of 65 will double; the workforce is aging and retiring. In addition, Minnesota's workforce is becoming more diverse. Between 2005 and 2015 the nonwhite population is projected to grow by thirty-five percent, and the white population is expected to grow by seven percent. This growth will occur among the Black non-Hispanic and Hispanic populations who are less likely to attend college, according to the Minnesota Private College Research Foundation. Minnesota cannot afford to ignore the changing demographics.
- **Minnesota's industries are adapting** to compete in the global economy. This has led to economic growth, increasing skill gaps, and a more pronounced need for the workforce development system and programs to be effective and efficient in preparing and training Minnesota's emerging and underutilized workforce with the skills required into today's workplace.

IMPACT ON MINNESOTA'S ECONOMY

Because of the industrial and demographic changes, skilled labor shortages are likely to return by 2010. Major skills gaps are already beginning to emerge in specific industries and occupations, such as manufacturing and healthcare, while employment growth in some occupations, such as Network Systems and Data Communications Analysts, will grow at astronomical rates. If Minnesota does not prepare for the future, Minnesota will lose its competitive advantage.

IMPROVING MINNESOTA'S WORKFORCE

To address these issues and to equate the supply with the demand for skilled workers, Minnesota must utilize the untapped or underutilized populations in its workforce. The GWDC had identified gaps in skill development opportunities and outlined strategies to capitalize on the untapped potential within the following populations: at-risk youth, immigrants and refugees, people with disabilities, and low-wage, low-skilled workers.

Advancing and improving education and training opportunities for Minnesotans is important to the state's economy because the demands of the labor market are changing. For industries and occupations experiencing skill shortages, changing skill requirements and rapid growth, we must strengthen both workforce development and education strategies. This will enhance individuals' ability to obtain post-secondary education and training, gain new skills quickly, and get a job with advancement potential.

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Report from GWDC 2005-06 Committees

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CAREER ADVANCEMENT COMMITTEE

Focus Population:

At-risk youth, defined as youth, including youth with disabilities, who are at-risk of not being meaningfully employed in the future.

CREATING CONNECTIONS COMMITTEE

Focus Population:

People with disabilities, which includes all people with physical or learning disabilities as well as mental illness.

Minnesota's K-12 education system is transitioning to a more academic model for educating its students. This model focuses on increasing the rigor of the curriculum through standard, academic-style delivery methods while sometimes neglecting the relevance of the curriculum to real life application. The current model also is not designed to focus on strengthening students' relationships with their teachers, counselors, and other school officials, which leaves many students with non-traditional academic needs feeling more like a number than a person. Although rigor is important for all students, rigor without relevance and relationships is not an effective method for educating many students, especially at-risk youth. In addition, the type of delivery method used for educating students helps to determine whether some students will succeed and others will not. For example, adding standardized class requirements (e.g. Chemistry 101) will not lead to an increase in the success of Minnesota's students; providing a variety of methods for delivering this information, which incorporates rigor, relevance and relationships, will yield additional success.

These elements are especially important today as Minnesota's achievement gap widens. According to Education Trust, Inc. Minnesota has the second widest achievement gap in the nation between Caucasian and African American students. Career and technical education is an exemplary model for increasing rigor, relevance, and relationships, and the reauthorized federal Perkins legislation further assists with strengthening these elements within career and technical education. However, the amount of career and technical education provided in Minnesota's schools has decreased. For example, Minnesota's student to counselor ratio has risen to 806:1 according to the American School Counselor Association. Therefore, there are ways to further utilize career and technical education for advancing Minnesota's students. The Department of Education, MnSCU, the University of Minnesota, and other partners have begun efforts to address the achievement gap and some of the other issues mentioned above by pursuing initiatives such as the P-16 Partnership, iSeek, and the Governor's High School Initiative. However, more work is needed in this area.

Although Minnesota has the fourth highest workforce participation rate of people with disabilities in the nation, this population still provides a wealth of untapped resources for meeting future labor force demands. According to the U.S. Census American Community Survey, 254,321 Minnesotans between the ages of 16 - 64 have a disability. Of these people, over 50 percent are unemployed. In addition, there is only an eight-percentage point difference in the graduation rate between students with disabilities and the graduation rate of all Minnesota's students according to the Minnesota Department of Education's 2005 statistics. Therefore, they have similar skills and abilities that other emerging workers have. People with disabilities also contribute to Minnesota's economy in other ways. As for any population with high unemployment rates, high unemployment rates for people with disabilities lead to additional burdens on individuals who are working. These burdens can come in the form of a smaller tax base, increases in the number of people with public health insurance, and other issues impacting state revenue and expenses. The more Minnesota can capitalize on the untapped potential of people with disabilities, the healthier Minnesota's economy will be.

To assist this population with advancing in the workforce, four key barriers must be addressed. These barriers include:

- *Inadequate resources:* Many people with disabilities lack the resources they need to fully develop and use their talents and become successfully integrated into the workforce.
- *Heightened fear:* Employers and their workers have fears about integrating people with disabilities into the workforce. Employers fear additional costs, making a mistake during the hiring process, and gathering information on hiring and employing a person with a disability. Individuals with disabilities also have fears of becoming integrated. This includes losing their individual support system and falling off of the social support system.
- *Inappropriate attitudes, expectations, and perceptions:* Society has inappropriate expectations and perceptions of individuals with disabilities who enter the workforce and of those who would like to enter the workforce. For example, teachers, parents, and the medical community have low expectations of people with disabilities and employers and co-workers have misperceptions of their ability and productivity.
- *Minimal information:* People with disabilities and employers lack the education and information they need for successfully integrating people with disabilities into the workforce.

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According to the 2000 U.S. Census, thirty-five percent (about 1 million workers) of Minnesota's workforce earn wages of \$10 per hour or less; these workers are more likely than other workers to have less than a high school education. Minnesotans who rely on public assistance are also more likely to have lower educational attainment. In addition, a recent report from the Citizens League found that over 30 percent of Minnesota's public high school graduates need remediation in higher education. Working Minnesotans stuck in low-wage jobs need skills training to advance in the workplace and gain economic stability.

A gap exists between the K-12 Education and Two and Four-Year Degrees "steps" in the higher education and training infrastructure (the gap area is defined as the second and third steps on the ladder located inside the report). The gap is characterized by a lack of statewide policy and funding to support short-term skills training strategies for low-income Minnesotans. There is impressive local innovation in developing skills training and advancement strategies in Minnesota, but little is sustainable because of lack of attention and designated funding.

Three key components of successful interventions to help low-income workers use short-term skills training to advance include:

- *Workforce development intermediaries with a dual customer approach;*
- *Both soft and hard skills training, often integrated; and,*
- *Support services (transportation, daycare, healthcare, etc.)*

The Minnesota Job Skills Partnership Pathways Grant program has a policy focus on and additional resources for the identified gap in Minnesota's training and education infrastructure. In addition, it is a promising model for the development, customization, and implementation of career advancement strategies. However, improvements could be made to the program through statutory and administrative changes.

Approximately 325,000 immigrants live in the state of Minnesota, according to the Minnesota Department of Employment and Economic Development; this is roughly five to seven percent of Minnesota's total population. Similar to national trends, half of Minnesota's immigrant population is Latino. While there is very little data available regarding the labor force participation rates of immigrants in Minnesota, labor force rates in the upper Midwest states show that the foreign-born population has a slightly higher labor participation rate than the native Midwestern population. However, many in this group, with limited English language skills and training, work multiple jobs at low wages and are unable to move up the career ladder.

Support services that immigrants need for transitioning into Minnesota's culture and workforce vary immensely. Some people speak fluent English, yet do not have skills to be competitive in the workforce. Others possess needed skills, but are not English language proficient. Some have professional degrees but have not found work in their field of training and are under-employed, while others might desire additional training. Many cannot afford additional training or are not aware of the opportunities available to them.

Like any investment, investing toward a literate, well-trained, and extremely resilient workforce requires bold leadership, capital, multi-faceted strategies, and time. As Minnesota's dependence on the workforce provided by New Minnesotans continues, the State's bright future is very much tied with how it can effectively and aggressively pursue a comprehensive workforce development policy that integrates immigrants and refugees.

SKILL AND WAGE ADVANCEMENT COMMITTEE

Focus Population:

Low-wage Minnesotans, including those who rely on public assistance for economic stability.

SUPPORTING NEW IMMIGRANTS* COMMITTEE

Focus Population:

Immigrants and refugees living in the state of Minnesota.

* While the committee name was "Supporting New Immigrants," the committee did not limit their focus or their policy recommendations to only new immigrants. Rather their work took into consideration the entire immigrant and refugee population, regardless of the amount of time they have lived in the state.

“Improving Minnesota”

METHODOLOGY

Four GWDC sub-committees met to identify the gaps in skill development opportunities for at-risk youth, immigrants and refugees, people with disabilities, and low-wage workers. The GWDC asked each committee to propose two to three recommendations based on those gaps for inclusion in this document. The sub-committees created their proposed recommendations based on research, input from stakeholders, and lengthy committee discussions, which occurred over the past year. To create the final proposed recommendations, the committees ranked, prioritized, and thoughtfully considered numerous possible recommendations. The GWDC then reviewed the proposed recommendations for final approval. The GWDC fully supports the following recommendations and is interested in working with the Governor to advance them for the improvement of Minnesota’s workforce and economy.

K-12 EDUCATION

Barriers:

- Minnesota is ranked 49th out of 50 in terms of its ratio of students to counselors (American School Counselor Association).
- Cuts in funding for summer youth programs have especially hurt youth with disabilities because a disproportionate number of the youth who participate in these programs are youth with disabilities.
- State budgets are not determined until late June, which hinders planning for summer youth programs.
- Almost half of the achievement gap that exists when a student is in twelfth grade is associated with the students’ knowledge at the beginning of first grade (National Association of the State Boards of Education).
- The achievement gap widens over the summer months (National Association of the State Boards of Education).
- The achievement gap costs Minnesota \$1.4 billion dollars annually in lost income (National Center for Public Policy and Higher Education).

Recommendations:

- Emphasize career counseling and career education at the high school level for all students by maintaining and improving electronic career exploration tools and by providing incentives to local areas that establish relationships to better provide career counseling and education. (\$, A)
- Expand and forward-fund summer and after-school youth programs that support development of workforce knowledge and skills for in- and out-of-school youth. (\$)

WORKABILITY SKILLS

Barriers:

- Over 38,000 Limited English Proficient (LEP) adults are served by the state’s ABE system annually, but due to recent influx of new refugees in the state, (e.g., refugees from camps in Thailand, East Africa, and the increasing immigrant population) waiting lists for ESL programming under the state’s ABE system are at an all time high (500+).
- The ESL Workforce Education program funded by the 2004 Workforce Investment Act Incentive Grant, which funded over 30 ESL instruction training programs in 50 Minnesota companies, ended June 2006.
- Intensive English as a Second Language training does not qualify as an acceptable core activity under current federal Temporary Assistance for Needy Families law.

Recommendations:

- Support immigrant and refugee workplace English language acquisition to accelerate workforce participation. Increase the base funding of Adult Basic Education (ABE) programming over the next biennium and restore the annual growth clause for ABE programming to accelerate English language acquisition, which is critical to the effective and timely integration of Minnesota’s immigrant and refugee population into the State’s workforce. (\$)
- Continue the ESL Workforce Education grant program that was created through the Workforce Investment Act Incentive Grant, which ended June, 2006. Over two years this program served over 1,200 LEP employees in approximately 50 Minnesota companies. Program outcomes include increased worker productivity, increased opportunities for promotion, and improved work-related communications. (\$)

Workforce's Skill Development

KEY:

- § Recommendation has fiscal impact
- E Executive Order
- L Legislative policy recommendation
- A Administrative/Agency policy recommendation

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OCCUPATION OR INDUSTRY-SPECIFIC SKILLS

Barriers:

- There is no statewide strategy to support and enhance the “Workability Skills” and “Occupational or Industry-Specific Skills” part of the state’s education and training infrastructure (second and third steps of this ladder).
 - a. There is no statewide infrastructure or continuous funding stream designated for skill acquisition through short-term, demand-driven strategies.
 - b. There is no requirement or incentive for training programs to integrate soft and hard skills, nor is there a common definition of “soft skills” applicable and used across all workforce development programs and initiatives.
 - c. Many employment programs have eligibility limited to narrow categories.
 - d. Employment programs have few incentives and resources available for skills acquisition.
 - e. Paying for short-term skills training is difficult for individuals and frontline service providers are piecing together funds from a variety of public and private funding sources, including employers.

Recommendations:

- Partner with business to create and fund additional internship, mentorship, work-based learning, and apprenticeship opportunities for youth and adults with disabilities. To accomplish this, partner with employers to establish an on-going effort to ensure people with disabilities have the opportunity to connect with other individuals who have the knowledge, skills, and abilities required for employment in various fields. (§, A)
- Update and reform the Minnesota Job Skills Partnership (MJSP) Pathways Program. The Pathways Program is the best model for the development, customization, and implementation of career advancement strategies. However, the program has limitations and could be improved through statutory and administrative changes. Under its current authority the MJSP Board could conduct a pilot of some or all of the proposed changes outlined below; thereby pursuing the reform prior to any statutory changes. (L, A)
 - a. The Pathways Program should have an explicit dual customer approach. Projects should be both employer-driven and meet the needs of low-income individuals.
 - b. “Workforce development intermediaries” should be defined in statute and allowed to apply for Pathways grants.
 - c. Workforce development intermediaries are entities that have a demonstrated track record bringing together employers and workers, private and public funding streams, and other stakeholders to implement pathways to career advancement for low-income individuals.
 - d. The statute should maintain that businesses must make a commitment, but the 1-1 match requirement should be amended to allow other private sources to meet the match.
 - e. Eliminate the requirement that Pathways Program grants be administered only on a reimbursement basis. The Pathways Program grants should be administered differently from the traditional Partnership grants to effectively achieve a dual customer approach.
 - f. The Department of Employment and Economic Development should look to best practices in grant-making in other state agencies that have funded and managed workforce development and human services grants focused on low-income workers.
 - g. Strengthen the criteria for the Pathways Program to incent applications for grants that address the economic disparities in different populations and in different regions of Minnesota.

TWO AND FOUR-YEAR DEGREES

Barriers:

- Only 32 percent of youth with disabilities attend post-secondary education (National Longitudinal Study).
- The number of scientists and engineers graduating from US higher educational institutions is decreasing (National Science Foundation).
- Grades 11-14 are transition grades for young adults moving from high school to postsecondary education and training. However, grades 11 and 12 are not connected to grades 13 and 14 in Minnesota’s educational system.

Recommendations:

- Create a grant program to pilot structural changes for grades 11-14 that promote career, vocational, and skills education. This grant program would provide an opportunity for the state to reexamine how its educational system is structured and whether emphasis should be placed on age/years in school, skills, or learning styles. (§, L, A)

Ladder

GRADUATE DEGREES

Barriers:

- Many highly educated and professional international and foreign graduates are required to overcome burdensome requirements and pay excessive fees in order to obtain a license and practice in their field of study.
- Thirty-eight percent of scientists and engineers that have doctoral degrees in the US are foreign-born; 45 percent of those with doctorates in mathematics, computer science, physical and life sciences. However, there is a cap of 66,000 visas annually for high tech workers in the US (National Science Foundation).

Recommendation:

- Develop a pilot project that reduces barriers and creates a fast-track recertification process for highly educated and professional international and foreign graduates. International Medical Graduates are required, among other things, to complete two years of residency before they can obtain a license to practice medicine even if they were fully trained, licensed, and practicing in another country. There are many costs associated with obtaining licensure that can create additional challenges for foreign graduates. Minnesota should explore other state practices, such as the Welcome Back and Physicians Corps Programs in California to develop innovative policies with an expedient process to meet the demand of Minnesota's workforce needs. (\$, A, L)

NON-SKILLED-BASED BARRIERS/RECOMMENDATIONS

Barriers:

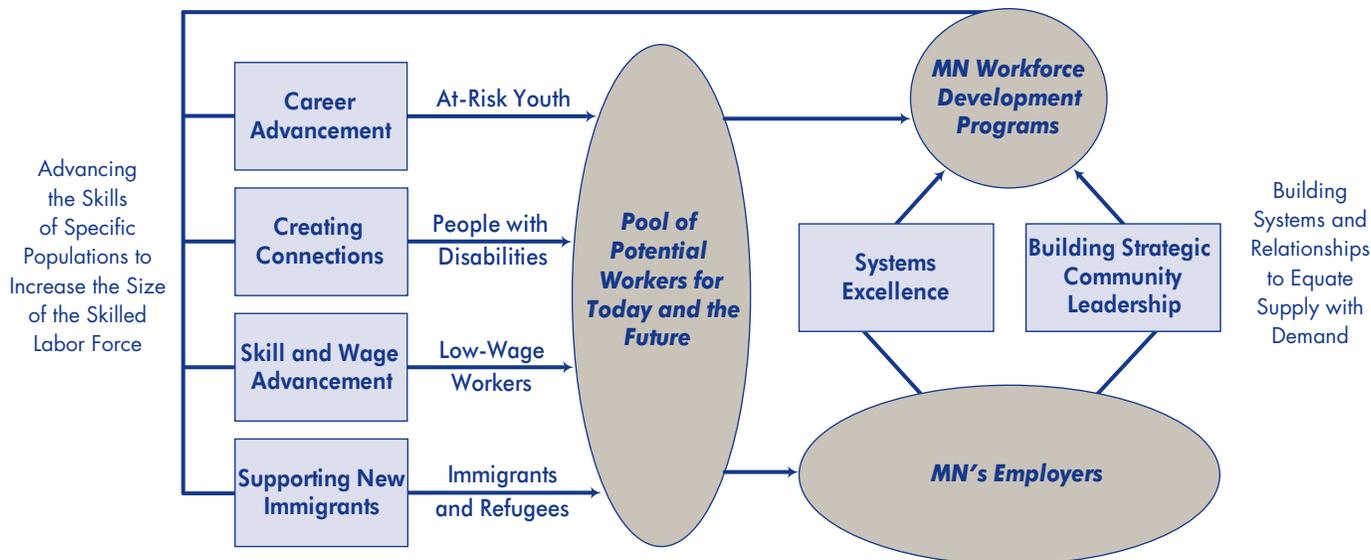
- Minnesota has 12 state-level councils working on issues related to the employment of people with disabilities, and many of these Councils are not formally connected in any way.
- Employers and their workers have fears about integrating people with disabilities into the workforce. They fear things such as the costs associated with hiring someone with a disability, impact on morale, and making mistakes during the hiring process.
- Many people with disabilities lack the resources they need to use all of their talents to become successfully integrated into the workforce. This includes an insufficient number of employers who are willing to hire people with disabilities, insufficient means for transportation to and from work, too few internships and mentoring opportunities, and barriers raised by health care and social security regulations.
- Society has inappropriate expectations and perceptions of individuals with disabilities who enter the workforce and of those who would like to enter the workforce.
- People with disabilities and employers lack the education and information they need for successfully integrating people with disabilities into the workforce.

Recommendations:

- Become a champion of employing and supporting people with disabilities by implementing policies and practices across state government, so state government, as an employer, becomes a role model for other employers and labor organizations for hiring people with disabilities. The Department of Employee Relations should be the lead agency and be fully supported by the Department of Employment and Economic Development. (A)
- Host an annual summit that focuses on education, employment, and the transition between education and employment for people with disabilities to bring together the agencies, councils, and other entities that deal with the employment of people with disabilities. (\$, A)

GWDC Committee Contributions and Linkages

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The GWDC recognizes there are many additional populations, such as returning veterans and seniors, who make up the pool of potential workers for today and in the future. The GWDC decided to concentrate its efforts on the populations discussed above based on its past work, input from GWDC members and stakeholders, and gaps within the current workforce development system.

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GOVERNOR'S WORKFORCE DEVELOPMENT COUNCIL

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