



MINNESOTA WORKFORCE CENTER STRATEGIC PLAN

SIX DIMENSIONS, MULTIPLE LENSES: A GUIDE
TO LOCAL DECISIONMAKING

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EXECUTIVE SUMMARY

MINNESOTA WORKFORCE CENTER STRATEGIC PLAN

In July of 2001, the State Legislature requested that the Executive Committee of the Governor's Workforce Development Council (GWDC) complete a strategic plan for Minnesota's WorkForce Centers. While the GWDC is the appropriate entity to collect information and provide analysis, the GWDC recommendations are written with the view that local leaders must lead the WorkForce Center system with strong state support. The GWDC supports state-level guidance with local decisionmaking regarding the design and delivery of services. A strong local-state partnership allows the WorkForce Centers to serve their unique populations most effectively within the framework of federal and state laws and regulations.

This strategic plan should be viewed as a guide for local leaders, so they can assess both the quality and the value of the WorkForce Centers in their region. The GWDC has identified the following six dimensions to be considered when looking at WorkForce Center location: financial drivers, location, local need, community assets, customer service, and the magnet effect. The GWDC did not weight these decisions; instead, the local governing bodies should weight these six dimensions based on local needs.

Overview of the Six Dimensions

1. **Financial Drivers** This dimension considers the financial resources available to sustain WorkForce Centers and the expenses associated with opening, maintaining and/or consolidating physical sites.
2. **Location, Location, Location!**: As in any real estate transaction, location matters. This dimension considers the physical siting of WorkForce Centers in a given community. Also of importance is the choice of one community location in a region over another in the same region.
3. **Local Need**: Obviously, the number and location of Minnesota's WorkForce Centers should be based on a careful determination of what local workforce needs exist in a given community. Existing locations were based on a combination of demographic, program customer base, available funds, and real estate. There are several methodologies for determining local need and local leaders are encouraged to continue this analysis as needs continue to evolve.
4. **Community Assets**: Following any assessment of local need, this dimension suggests that local leaders first look at any existing community assets that may already be available to fulfill identified local needs. Particular attention should be given to identifying other publicly-funded assets that address local workforce needs.
5. **How Are We Doing?**: Many stakeholders, notably state and federal legislators, look to federal and state program compliance measurements as the sole yardstick for measuring progress. While these are certainly key dimensions of analysis, they must be viewed in the context of the remaining five dimensions. State and federal workforce programs are delivered through WorkForce Centers, but measured program by program at the local (Workforce Service Area) level and then aggregated statewide. Therefore, we must distinguish between Center-level indicators (customer volume and satisfaction)

and programmatic measures that are intended to capture progress in each program statewide.

6. **The Magnet Effect:** The essence of the one-stop approach to service delivery is the expectation that the whole is greater than the sum of its parts. This dimension attempts to view the degree to which WorkForce Centers have moved from co-location of separate programs to becoming the front line of community workforce development efforts.

Overview of the Recommendations

The following recommendations stem from the Strategic Plan, local leaders, and the Workforce Investment Act.

1. Resolution of site specific issues

- Consolidate two centers in Ramsey County and two centers in Dakota County based on recommendations from local leaders.

2. Short-term recommendations (February 2002 through January 2003)

- Local Workforce Councils have substantial decisionmaking authority over the physical siting and operations of local WorkForce Centers.
- Chairs of Local Workforce Councils along with state and local partners must update their original WorkForce Center charter/partner agreements.
- The new state agency shall build on statewide staff training and support functions for all WorkForce Center staff.
- The new state agency shall strengthen its role as a single point of contact to broker WorkForce Center infrastructure/support needs.
- The new state agency should begin succession planning now to determine how to staff field operations in the future.
- The new state agency should build on current efforts to strengthen data collection and reporting so more of the WorkForce Center “story” is told.
- Local Workforce Councils are encouraged to develop specific outcome areas focused on employer customers.

3. Long-term recommendations / strategic directions (February 2002 – January 2004)

- Continue development of an updated credentialing system for WorkForce Centers.
- Local WorkForce Councils and other local and regional stakeholders could conduct regional scans in order to identify their own local industry priorities and leverage training investments.
- The state and localities should identify all funding possibilities to match federal monies to increase resources available for training.
- Expand use of skills-based job assessments and individual evaluations to help workers identify transferable skills and build career ladders.
- Minnesota must improve the coordination of services for workforce literacy.

The GWDC Executive Committee views this document in the context of the workforce and economic development agency reorganization. Many of the recommendations here support and strengthen the direction outlined by the Transition Team appointed by the Governor and the state Legislature. Local Workforce Councils with other community leaders, and in concert with the new state agency, will jointly address the next steps and conclusions, which are included at the end of the report.



MINNESOTA WORKFORCE CENTER STRATEGIC PLAN

The Minnesota State Legislature requested that the Executive Committee of the Governor's Workforce Development Council (GWDC) complete a strategic plan for Minnesota's WorkForce Centers.¹ This request followed discussion within the Legislature about the strengths and weaknesses of Minnesota's workforce development efforts and the service delivery structure. This WorkForce Center strategic plan has been completed in the context of a pending reorganization of the key state agencies involved in workforce and economic development. Consequently, there are references in this document to the pending MDES/DTED reorganization as well as to the "common performance measures" work being completed by the Minnesota Job Skills Partnership Board (MJSPB) at the request of the Legislature.²

This document lays out the vision and decisionmaking framework adopted by the GWDC Executive Committee in the completion of the WorkForce Center Strategic Plan. The framework is followed by analysis of the current WorkForce Center system, highlighting each of the "dimensions" identified in the decisionmaking framework. The analysis is followed by recommendations from the GWDC Executive Committee that focus on state-level changes to strengthen the existing WorkForce Center system.



Local Lens

Questions, discussion, and guides for local leaders.

The GWDC Executive Committee developed this document to be of value to the Legislature and other stakeholders and as a hands-on guide for Local Workforce Councils and other local leaders to aid in local decisionmaking. Special call out boxes are identified throughout the report that speak directly to local decisionmakers through a "local lens" and help guide their decisions about individual WorkForce Centers in their local areas.

¹ This request was included in the omnibus jobs and economic development bill passed in June 2001 (Session Law 2001, First Special Session, House File 5, Article 2, Section 29).

² The common performance measures work §2001 (Session Law 2001, First Special Session, House File 5, Article 2, Section 7, Subdivision 6 and Section 24, Subdivision 3a) are distinct tasks from this WorkForce Center system strategic plan. However, the GWDC sees both pieces of work, and the agency reorganization work, as component parts of Minnesota's larger vision.

I. VISION AND FRAMEWORK

Vision

The GWDC began the task of developing a strategic plan by affirming key principles that drive the GWDC's vision. These are drawn from the GWDC's Preeminence Minnesota effort and from discussions within the GWDC during the past two years.

- Minnesota's workforce efforts must be grounded in broad goals relevant to Minnesota's economy and labor force.
- Since Minnesota has many regional economies, decisionmaking about workforce and economic development efforts should be the responsibility of local and regional leaders within the context of a very broad state strategy.
- WorkForce Centers are portals for service to employer and job-seeker customers. They should be designed and operated to maximize the resources and opportunities available in a community and should complement and leverage other portals for service, not compete with them.

The GWDC sees its role as establishing the broad goals and expected outcomes for the state's workforce development efforts. Further, the GWDC is the appropriate entity to prepare information and analysis to aid local decision-making. However, the GWDC feels strongly that strategic decisions about the design and delivery of services is a local decision for Local Workforce Councils and other local leaders.³ Local elected officials and local businesses should be the drivers as is consistent with Workforce Investment Act (WIA) legislative intent. In order for the WorkForce Centers to reach their full potential, there must be a unique balance of local leadership and strategic decisionmaking as well as state guidance and support.

This WorkForce Center strategic plan offers information, analysis, and a framework for local decisionmaking and continuing evaluation of our state's WorkForce Centers by local leaders. It is the GWDC's intention that Minnesota's WorkForce Centers are strengthened through stronger "ownership" by local leaders who come to see the Centers as a primary doorway through which local business and job seeking customers obtain services. Supporting that local ownership, the state's role is to establish guidelines that ensure quality and access and to marshal as many resources as are needed to support the infrastructure of the WorkForce Center system to deliver a wide variety of state programs and services in partnership with local and community services. Local and state leaders will continue to work together to create this balance of local ownership and state-level support.

³ Several members of the GWDC Executive Committee were involved in the deliberations of the MDES/DTED agency reorganization Transition Team. The Transition Team final report endorses a vision for regional planning that leaves room for local leadership other than (or in addition to) Local Workforce Councils to lead decisionmaking efforts on workforce and economic development issues. While the GWDC remains supportive of Local Workforce Councils as the entity often best positioned to play a local leadership role (and statutorily empowered as such), the GWDC Executive Committee acknowledges that there may be local leadership outside existing Local Workforce Councils that will use the decisionmaking framework presented here.

Decisionmaking Framework

Given the Legislature's concerns about the leadership for, and sustainability of, Minnesota's WorkForce Center system, this plan articulates a framework for local decisionmaking and offers short-term and long-term recommendations for the WorkForce Center system.

The first element of the short-term recommendations is the list of Center consolidations to be considered. These are recommendations that have already been made by local leaders. Grounded in the history and past vision for the State's WorkForce Center system as well as the analysis of current WorkForce Center operations, the short-term recommendations outline immediate and emerging issues that, if addressed within the next year, and in the context of agency reorganization, could have significant impact on the effectiveness and value of the WorkForce Center system. The long-term recommendations are embedded in a credentialing process to be developed at the state level in conjunction with strong input from the local level, and implemented by the local/regional leaders who will continually evaluate, improve, and manage WorkForce Centers over time.

It must be understood that there is no single "right answer" about the exact number, location, and service design for Minnesota's WorkForce Centers. The notion of developing "one-stop centers" for workforce services was developed in Minnesota in the late 1980s and early 1990s. In 1998, the federal Workforce Investment Act (WIA) codified this approach in federal law. The value and effectiveness of such efforts vary widely based on the geographic location, demographics, and service mix given available resources. As such, there is no single statewide approach that will always be sufficient; and, there will always be tradeoffs between access, quality, availability of service, and effectiveness. Our goal with this WorkForce Center strategic plan is to identify as clearly as possible what those tradeoffs are so that local decision-makers can make informed decisions that affect their communities.

As an overarching framework, the GWDC suggests that there are six dimensions to be considered when looking at a WorkForce Center location.

1. **Financial Drivers:** This dimension considers the financial resources available to sustain WorkForce Centers and the expenses associated with opening, maintaining and/or consolidating physical sites. A primary role of the state agencies is to put federal and state resources on the table to provide excellent services and to insure that statewide goals are met for each federal and state funding source.
2. **Location, Location, Location!:** As in any real estate transaction, location matters. This dimension considers the physical siting of WorkForce Centers in a given community. Also of importance is the choice of one community location in a region over another in the same region.

3. **Local Need:** Obviously, the number and location of Minnesota’s WorkForce Centers should be based on a careful determination of what local workforce needs exist in a given community. Existing locations were chartered based on a combination of demographic factors, existing program customer bases, available funds, and available sites. This dimension outlines methodologies for continuously evaluating local need and offers guidelines for local leaders.
4. **Community Assets:** This dimension suggests that following any assessment of local need, local leaders first look at existing community assets that may already be available to fulfill identified local needs. Particular attention should be given to identifying other publicly-funded assets that address local workforce needs.
5. **How Are We Doing?:** Many stakeholders, notably state and federal legislators, look to program compliance measures as the sole yardstick for measuring progress. While they are certainly key dimensions of analysis, they must be viewed in the context of the remaining five dimensions. State and federal workforce programs are delivered through WorkForce Centers, but measured program by program at the local (Workforce Service Area) level and then aggregated statewide. Minnesota is in the early stages of identifying and developing *system* measures and tools for uniformly capturing meaningful Center-level measures to gauge our progress. Locally led continuous improvement / quality efforts also play a role in assessing local strengths and opportunities for improvement.
6. **The Magnet Effect:** The essence of the one-stop approach to service delivery is the expectation that the whole is greater than the sum of its parts. This dimension attempts to view the degree to which WorkForce Centers have moved from co-location of separate programs to serving as the front line for community workforce development efforts.

 **Develop a local decisionmaking framework**

Are there other “dimensions of analysis” that would be important to you? How would you weight these dimensions in looking at an individual Center – what is most important in your community: access, meeting local need, quality of service, etc.?

The GWDC has not ranked or weighted these dimensions. It is assumed that in using them locally, a Local Workforce Council or other local leaders would analyze a given (group of) Center(s) and, in doing so, might wish to rank or weight these dimensions to ensure consistency in their

analysis. It is generally assumed that the financial drivers needs to account for at least half of the total “score” simply because without the financial resources, other issues may be moot. However, it is important to look at all the components of a

WorkForce Center because a WorkForce Center that performs well, services a critical market with few neighboring resources, and attracts significant community involvement may be a good return on investment.

This plan uses the dimensions to highlight key information elements and to model the kinds of analysis Local Workforce Councils and other local leaders should undertake on their own to evaluate and make future decisions about the WorkForce Centers in their local areas.

How Did We Get Here?

In July 2001, the Minnesota State Legislature requested that the Executive Committee of the Governor's Workforce Development Council create a Strategic Plan for Minnesota's WorkForce Centers and develop performance standards for WorkForce Centers. The Executive Committee adopted an outline for this work at its August 2001 meeting.

Beginning with Minnesota's initial chartering of the WorkForce Centers in 1995 to 1998, there has been an ongoing effort to evaluate and strengthen the WorkForce Center system. MDES has initiated continuous quality improvement and strategic planning efforts for Workforce Service Areas as well as the Centers themselves. The GWDC Executive Committee chose to build on that foundation and take a national perspective by inviting Edwin Strong and Nina Babich from the Corporation for a Skilled Workforce to assist in the continuing development of a certification process for the WorkForce Centers. In November and December 2001 GWDC staff met with regional and state WorkForce Center staff to obtain background information and to determine issues to be addressed in the Strategic Plan. On December 26, 2001, a revised draft was distributed widely to stakeholders throughout the WorkForce Center system. The GWDC accepted comments following this distribution. GWDC staff reviewed these comments and most were incorporated into the Strategic Plan. A near-final version was sent to the full Council for review and discussion at its scheduled January 18, 2002 meeting and revisions were made based on comments from all members of the GWDC. On January 23, 2002, a final version of the Strategic Plan was presented to the Executive Committee of the GWDC. Based on the Executive Committee's recommendations and approval, the plan was finalized and presented to the State Legislature on February 1, 2002.

II. BACKGROUND

In September of 1994 the Department of Economic Security applied for a federal grant to help fund the development of the WorkForce Center System. This grant identified a clear vision, which can be found in Appendix C-1. In the new system, programs originally housed in separate locations would be brought together in one central location in a community. This would allow for comprehensive, integrated, and individualized services for employers, job seekers, or those seeking economic independence. Centers would provide information and resources that would enable individuals to achieve economic security and would aid employers in competing successfully in

today's economy⁴. A chronology of the development of Minnesota's WorkForce Center system appears in Appendix C-2.

Minnesota has, in large measure, achieved its original vision. We have led the nation in building a physical network of 53 WorkForce Centers that covers all of the state, engaging a multitude of partners, bringing several once-separate programs and services into a single location. Minnesota's Centers have a common "look and feel", are generally well equipped, and in many cases, serve as the hub for workforce services in the communities in which they are located. As noted in the chronology, there are many aspects of Minnesota's Centers, which have led the national development of successful "one-stops". Now, we must strive to ensure that the system we have built will provide the comprehensive, quality services needed for new demands on the center system. We must understand how to meet the needs of employers with job placement as well as assessment of skill for incumbent workers, and we must continue to build alliances for handling the growing need for customized training and for workforce literacy needs. However, as demand continues to increase, funding is decreasing for the WorkForce Center System, and each area of Minnesota has different needs based on their demographics and local economy.

Current Queries and Concerns

Over the past several years, Legislative and community leaders have raised questions regarding the sustainability and effectiveness of the Minnesota WorkForce Center System. These issues prompt these questions:

- How many WorkForce Centers are needed for the current population?
- How many job seekers and businesses are using the WorkForce Centers?
- How can the system be sustained as it grows and develops amidst constant economic and demographic shifts?
- Who makes decisions for the WorkForce Centers? Who is in charge in a given Center?
- How have WorkForce Centers affected the communities in which they are located?
- How can State and Local bodies work together to make the system more responsive to customer needs?

The GWDC Executive Committee recognizes that in any statewide service delivery system, there will always be continuing feedback from local elected officials and state legislators, customers, their advocates, and the media. It is not expected that implementation of this strategic plan will answer all questions definitively. Rather, this plan seeks to update the vision that drove the initial development of the WorkForce Centers and to expand it in the context of current economic and organizational change.

⁴ WorkForce Center Sustainability Study, Internal document prepared by MDES staff, May 2001.

III. CURRENT ANALYSIS

Using the dimensions outlined in the “decisionmaking framework” above, this section offers analysis of the current WorkForce Center system and gives examples of the kinds of questions and analysis that Local Workforce Councils will need to consider to continue to evaluate the WorkForce Centers in their geographic areas. Although there is information presented in the Appendix about the financial status, staffing patterns, and location of all the WorkForce Centers, this section is not an exhaustive and uniform analysis of all 53 existing Centers in Minnesota and should not be mistaken for such.

In May 2001, the MN Department of Economic Security (MDES) completed an internal “sustainability study” that looked at the MDES resources supporting WorkForce Centers and analyzed the current distribution of Centers and resources relative to salient demographic factors. In this study, MDES assumed that the funding provided to the field is the total available funding for the field. Some of the material in this section draws on that analysis. Supporting documentation from the internal study is available in Appendix B.

Financial Drivers

Most Minnesota WorkForce Centers are financed by at least four types of resources: federal, state, and local dollars and foundation grants. Minnesota receives federal Workforce Investment Act (WIA) funding for WIA Titles One, Three, and Four. These represent funding for Adult and Dislocated Workers, Wagner-Peyser (Job Service), State Services for the Blind, and Rehabilitation Services, respectively. Some federal funds require state money to “match”. Some of the distribution of the federal and state funding within the state is based on intrastate funding formulas written into federal legislation and rules. A key question not addressed in the internal MDES sustainability study was “Is the current distribution of federal funds to service delivery the maximum available?”. A decision to spend more federal money in the field (as opposed to central or statewide activities) would be a decision for agency leadership to consider. Beyond

 Where’s our money coming from?

How much funding is available for each WorkForce Center? What are the likely trends for income and expenses associated with a given Center? Are the formulas used to distribute funds across Centers reasonable and based on relevant factors? The financial information in Appendix A identifies funding that was available to WorkForce Centers by program during the program or fiscal year in 2001. Are we familiar with this information? Do we understand what opportunities and constraints exist on all funding sources coming to our community?

the federal and state funds that come through the Workforce Investment Act, many Centers provide services to welfare participants by agreement with county boards. This represents a significant income source and important programmatic partnership that is encouraged, but not required, under WIA. Finally, many WorkForce Centers market themselves to attract foundation funding and other support or partnerships from within communities. The

expenditures for each WorkForce Center by source is part of the site profiles in Appendix A.

It must be noted that state leadership is often reminded that much of the funding supporting Minnesota's WorkForce Centers comes with much regulation and prescription from the federal government. Obviously, the partnership supporting WorkForce Centers extends from the local level to the federal level. However, in preparing this plan, the prevailing notion has been that local leadership can and should make decisions about how best to spend funding within broad guidelines established by state and federal agencies. A primary responsibility of the new state agency is to "translate" local direction and decision into whatever form is necessary for reporting back to the federal government.

After looking at funding sources by Center, it is important to examine where dollars are spent. The MDES study identified physical space and staffing as the two most significant financial drivers affecting WorkForce Center operations.⁵

Physical Costs

Physical site costs are paid for by each operating partner, with the exact contributions determined by formulas based on federal guidelines and local agreement. The outright cost of a given site, combined with the mix of partner contributions paying for it, can each be significant factors in determining the financial "sustainability" of a site.

Leases and data lines account for a large portion of the physical costs. Many factors contribute to the lease prices. The city, market rates for space, and amount of space open in a given area all affect the lease price. Data lines include necessities such as Internet access, phone service, and fax line use. However, in instances where WorkForce Centers are co-located with other providers, such as with MnSCU campuses or County Service Centers, the cost of the data lines are shared between the two (or more) entities. The monies spent on these physical costs are not proportional to the quality of service in a given location, which is a basic business principle.

Staffing Costs

It is important to note that staffing is a primary expense associated with Minnesota's WorkForce Centers. Any serious consideration of the long-term sustainability of the Centers must address the number of staff, competencies, and costs of specific staff configurations at a given Center. Each site must have enough staff to serve its customers in order to be considered effective. For example, when a site has more financial resources, the Center has the ability to hire more and varied staff, which in turn allows the Center to maintain a higher level of customer service as well as to provide a variety of services based on customer demand. Most Centers are already using all of their available funds, and the recent recession is exacerbating this trend. Centers are experiencing more demand because more people frequent the centers during a recession to find employment, get information about services, and to obtain training. Please see Appendix A for information regarding staffing of individual Centers.

⁵ WorkForce Center Sustainability Study, Minnesota Department of Economic Security, May 2001.

Included in the *WorkForce Center Sustainability Study* are two charts that compare staff versus square footage per site and physical costs versus number of staff (these graphs can be found in Appendix B-2). Looking at these charts provides insight about staffing. For example, the charts depict that Hennepin South WorkForce Center has higher physical costs relative to the number of staff housed in the WorkForce Center. However, this site also has more square footage than most Centers. Therefore, the costs could be higher per staff person due to the costs of rent rather than the actual staffing costs.

Also, when examining these charts, it is important to note that Minneapolis South and Minneapolis North are located in MDES-owned buildings, which represents some cost advantage over market-rate leases. However, these locations, as with others, must contribute to the data line costs, utility costs, maintenance costs, security costs, etc. Other partners, such as Urban League, pay rent and the Department of Administration sets the value of the square footage each year. However, the security costs associated with their locations in the city of Minneapolis increases the sites' physical costs. Minneapolis police officers provide the security, which is a costly undertaking. However, it has had a very positive effect on the staff, customers, maintenance, and crime within the WorkForce Centers.

Location, Location, Location!

WorkForce Centers are located across the state of Minnesota. When the WorkForce Center system was developed in the mid-1990s, MDES and local leadership considered many possibilities in physically siting WorkForce Centers. A primary consideration was consolidating several local MDES offices in a given community area. Potential sites were also considered if there was “synergy” among several state and/or community partners to co-locate in a single facility. WorkForce Centers, affiliate sites, and MnSCU campuses are indicated on the map included in Appendix E-1.

Since the WorkForce Centers were established, the ability to provide on-line access and virtual service has increased dramatically. Before WorkForce Centers utilized the Internet to the degree they do today, people always had to travel to the WorkForce Centers to receive service. Today, clients can access some of the services on-line, which makes it possible for them to use the services off site, such as at home. In November 2001 alone, there were 3,904,095 hits

 Where are our sites?

What are the physical / geographical locations of your WorkForce Centers? Where are these sites relative to population and/or business centers? Are the Centers in the right communities? Are they in the best possible locations in a given community? What are the considerations about siting unique to a given locale?

on the website <http://www.mnwfc.org>. The change to on-line service has reduced the significance of the actual location of the WorkForce Centers to some degree. Even though location is very significant for clients who frequent the centers, it is not as significant for the clients who have access to a computer and the Internet. Since the WorkForce Center system began, another key change has been the introduction of the telephone/Internet processing of Unemployment Insurance claims. This change has introduced a significant shift from face-to-face service to electronic outreach/interface with workforce customers.

As local and state leaders continue to work towards supporting the self-service dimension of the WorkForce Center system, the use of on-line services has become frequent. According to WorkForce Area leaders, the introduction of on-line services has been both wonderful and challenging for the WorkForce Centers. If Resource Areas do not have enough staff to serve each client on an individual basis, many times clients are directed to self-service computers in order to fulfill their needs. However, some clients do not have the computer skills needed to use the on-line services, and the clients may not receive the exact services they need because of the self-service approach. Therefore, the addition of on-line services has been helpful for many but has also inhibited other customers. Creating a service system that includes significant self-service capacity has always been a goal; however, it is important to remember that Centers must always be able to rely on trained and supported staff to direct, counsel, and assist customers in addition to the self-serve options.

By looking at the WorkForce Centers' locations relative to each other, it is possible to determine how far an individual would have to travel to receive services outside of the on-line, self-service system. Appendix E includes mileage charts for the Metro and Greater Minnesota areas. The distance between WorkForce Centers should not be used to determine their eventual locations because many more factors affect the location than distance alone.

For many of the WorkForce Centers, the original location selected was the most affordable option in the community for the space needs at that time. At the beginning of the WorkForce Center system, most communities consolidated several separate state agency facilities into a single WorkForce Center. In some communities, the location was chosen because it housed other partners that represented key elements in operating a more customer-oriented WorkForce Center. Many of the metro sites are located on bus lines, near major interstates or highways, and/or in densely populated areas. The WorkForce Centers located in Greater Minnesota are located in cities of various sizes, are spread across the state, and were selected for their role as regional hubs. When interviewing individuals who work with the Centers, many said that the WorkForce Centers were in the best locations possible. Others suggested that Centers within close proximity to one another should be combined, co-location with other entities should be explored further for some sites, and Centers in buildings that are not highly visible to the public should be relocated. Some of these immediate changes are identified in the Recommendations section of this report.

Included in Appendix F is a map of Minnesota's Regional Trade Centers. This map shows that all of Greater Minnesota's WorkForce Centers are located in a regional trade center, except Roseau. The hierarchical levels in which the cities were placed are based on two community aspects: population and types of businesses established. Along with portraying the regional trade centers, the MnDoT map also depicts the interregional and regional corridors. This illustrates an important aspect for determining the location for WorkForce Centers because it shows where people travel and whether the centers are easily accessible to people outside of the communities themselves. The full version of the Department of Transportation's Statewide Transportation Plan can be accessed at <http://www.oim.dot.state.mn.us/PDPA/Plan.html>, and background information for the regional trade centers and inter-regional corridors can be found at <http://www.oim.dot.state.mn.us/projects/irc/rtc.html>.

After examining the locations of the WorkForce Centers, one must also look at the facilities the WorkForce Centers occupy. Today, seventeen of the sites are co-located with a government agency other than MnSCU (Anoka, Bemidji, Duluth, East Grand Forks, Grand Rapids, Hibbing, Litchfield, Marshall, Moorhead, Mora, Minneapolis North, Minneapolis South, City of Saint Paul, Stillwater, Wadena, Dakota County North, and Willmar), four are located on a MnSCU campus (Austin, Hutchinson, Thief River Falls, and Winona), and two locations are state-owned facilities (Minneapolis North and Minneapolis South).

Some believe that the WorkForce Centers housed in state, city, and county buildings always have less expensive physical costs. However this is not always the case and, state, city, and county buildings are not always the best locations for all of the WorkForce Centers. In some instances, WorkForce Centers are offered low-rate bids for leases because the city, state, or county needs to fill the space. However, when it comes time for lease renewals, the rates are raised to market value. Also, access to the shared meeting rooms/facilities can depend on the needs of the main leaseholder making it difficult for the WorkForce Centers to use the facilities as planned.

Some potential clients may be attracted to the WorkForce Centers because they are publicly funded and offer all of the services that the clients need in one convenient location. However, other potential customers may be less likely to use the centers based on the notion that the WorkForce Centers' programs are publicly funded; these people may feel they are ineligible for services or that the services are not sophisticated enough for their individual needs. WorkForce Centers that are currently located in government buildings are aware of this tradeoff and have developed a variety of strategies to deal with it.

Co-locating a WorkForce Center with another site such as a MnSCU or University of Minnesota campus or another government entity requires relationship development. Certain elements must be in place for the relationship to work and for the entities to function effectively as an integrated service. Some of the questions that local Workforce Councils have identified regarding whether or not co-location is an option for the WorkForce Centers are:

- Is adequate and mutually agreed upon space available at the possible co-location site for a WorkForce Center?
- If space is not available, are the two entities willing to work together towards obtaining financing to make more space available at the site or at another site?
- Are the two entities willing to work towards a common vision for their clients?
- Have the two entities worked together in the past, where they can recognize each other's strengths and weaknesses and are able to capitalize on each other's strengths?

It is often suggested that WorkForce Centers might gain increased leveraging of programmatic resources if they were co-located with an existing institution such as a MnSCU campus, University of Minnesota campus, or another training provider. Co-locating a Center with a training institution is based on the belief that one function of these institutions is to prepare Minnesotans for work, which is compatible with the mission of WorkForce Centers. However, this belief is not universally agreed to. Also, WorkForce Centers are supposed to be an honest broker site for workforce services, and the training providers may be more geared towards the student population instead of the entire community. In January 2001, the MN Department of Administration looked specifically at the feasibility of locating WorkForce Centers on MnSCU campuses, and they concluded that where the appropriate opportunities exist, local partners continue to explore this as an option. WorkForce Centers must examine all aspects of co-location and the needs of the community before determining that co-location with another entity is the best option.

Local Need

Each WorkForce Center has a minimum of four required core partners. These partners include the Local Job Service/Unemployment Insurance, Rehabilitation Services, Local

Job Training, and State Services for the Blind (SSB). Each center is required to have all core partners represented on site. In many instances, funding does not allow for all partners to have fulltime staff within the local WorkForce Centers. For example, SSB field staff cover some regions by offering appointment-only home visits, WorkForce Center visits, etc. but are not full-time at the WorkForce Centers. Also, in many



What do we need?

Based on demographics, what programs and services are needed in a given locale? Does a given WorkForce Center offer the right mix of programs and services relative to local need? What local needs exist among job seeker or business customers for which WorkForce Centers have not yet developed appropriate service responses? What measurable value do WorkForce Centers add to local job seekers and business demands for service? What measurable value do WorkForce Centers add to local jobseekers and business demands for service?

cases, other core partners have joined the original four partners. For example, the Anoka County WorkForce Center in Blaine, Minnesota has two additional core partners that have evolved based on the needs of the population. They are Income Maintenance and the Child Care Assistance Unit.

Along with the addition of core partners, many centers have also added services that fall outside of the WIA required services. The Stearns-Benton WorkForce Center is one example of a Center that has excelled in the effort to provide additional services. For example, they also provide financial counseling by using Turbo Tax, Quicken, and Quattro Pro through a partnership with Tri-County Action Program (Tri-CAP). Adding services such as this has helped centers meet the needs of their populations.

Continuous evolution of the WorkForce Centers is crucial in order to serve local needs. As needs emerge, new services must be developed, and funding must be allocated to allow for these new services. For example, computer literacy has become important for both WorkForce Center staff and clients since on both state and local WorkForce Center websites, customers can access information such as job openings and labor market information and apply for unemployment insurance. With different needs and customers, each WorkForce Center has evolved in its own way within the broad state umbrella and original charters. Therefore, funds must be flexible and adequate to allow for new services to develop and evolve based on the customers' needs.

In order to determine the needs of a population, demographics can help to show possible clientele. For example, included in Appendix B-3 is a chart of the working age population in Minnesota. Because this data encompasses such a large group of people who may or may not need the WorkForce Centers' services, this chart can be devolved further into specific service/program eligible participants in specific areas across the state. Within the Workforce Center Sustainability Study, the state's demographic information has been mapped out by program. However, by merely looking at these demographics alone, the WorkForce Centers would limit what services they can provide because the demographics only relate to current clients.

 What matters most?

How do the categories from Appendix B-2 rank for our WSA or WorkForce Center?
 How do we balance service to jobseekers vs. employers? Who needs our services? Who are our current or potential customers?

Appendix B-2 of this document includes a breakdown of the client and potential client base by WorkForce Center. The chart includes the nine services provided by the State within the WorkForce Centers, potential workforce customers, employer base, and labor force statistics. Based on information such as this, Workforce Service Areas (WSA) could create a system in order to rank the WorkForce Centers in their areas for continuous improvement and to measure the necessity of each WorkForce Center. For

example, one WSA may rank Potential Workforce Customer data as being more important than the actual Customer Base information and another WSA may view that Customer Base information is the most important aspect of the four categories. The ranking of importance for these four categories will be different for each WSA due to the area in which it is located and its population.

A balance must be created between serving the current populations and meeting the needs of projected customers. Knowing who makes up the current customer base in a certain region of the state aids in serving those specific clients. However, it can also inhibit the WorkForce Centers from attracting new customers because efforts are focused on serving current clients and not on serving all those who may need services. Who are the potential WorkForce Customers and what are their needs? This is not a question that can be answered by using data regarding current customers. Nor is it a question that can be answered by examining the total working age population of an area because those data do not provide enough insight into the lives of those who make up that subsection of the population. Then, how are needs determined? Ultimately, this is a data collection and analysis process that can be aided by State-level resources and must be completed at a local level within common statewide guidelines. Local areas must address the needs of their individual population base to determine their ever changing needs.

 **What do we have?**

What other programs and services are available in our area? from whom? Do we view other programs/services as allies or competitors? Why? What unique assets does this community have to offer regarding workforce and economic development?

WorkForce Centers can help to ensure that the workforce needs of their population are met through networking. In order for WorkForce Centers to adapt to the ever-changing needs of the state, service provider networks within the communities must be strengthened in order to ensure that all people are receiving the services they need within the constraints of available funding resources. Although it is important to know the demographics

of the populations surrounding the WorkForce Centers, it is also important to build a strong local network service system that can adapt more easily to the ever changing populations. In a perfect world, each WorkForce Center would know the needs of each person within its community, and the WorkForce Center would have the resources to respond to needs on a flexible basis. However, this picture is not realistic. If the WorkForce Centers have a strong service provider network system within the communities, then every customer is more likely to receive the services they need.

Community Assets

In order for WorkForce Centers to have a strong networking system, they need to have strong ties within the communities in which they serve. Each community with a WorkForce Center also has other programs/services/institutions that have similar programs and services that are offered at the centers. Each area around the WorkForce Centers is different. Some have multiple MnSCU campuses that can offer complementary services depending on how the campus is utilized by the WorkForce Centers themselves. Other companies/organizations/ institutions such as private employment services, community-based organizations, school districts, and University of Minnesota Campuses can also be beneficial for the WorkForce Centers if utilized. However, if alliance and strategic partnerships are not built between these entities and the centers, competition and duplication of services can occur.

Part of the unified WorkForce Center system is the affiliate site. Affiliate sites are intended to expand the WorkForce Center (WFC) System's capacity to serve customers by providing customers with greater access to WFC services than is available only through WorkForce Centers themselves. Organizations targeted for affiliate sites are Community-based organizations that provide employment and training services to a targeted population, and/or that serve as a vendor of a core partner in the WFC System. Through affiliate sites, individuals have a direct link to the WFC / MDES website, and obtain informed referrals to their local WFC. Affiliate site staff participate in an Americans with Disabilities Act (ADA) site review prior to certification to ensure access for all customers, and are encouraged to tour their local WFC, sample services that are open to the public at the local WFC, i.e., workshops and the Resource Area, to enhance their ability to refer customers.

Affiliate sites should have a larger and stronger role in Minnesota's workforce development system. They could prove to be an important way to formally link agencies/programs/providers that might otherwise operate in more isolated terms. There are clear benefits to customers: coordinated case management; customers find out about programs they otherwise might not have – enhances customer choice; use resources at both WFC and affiliate agency more efficiently, i.e. affiliate customers may use WFC Resource Areas that are well-equipped with up to date technology, laser printers, etc. the Job Bank, and workshops, while enrolled at a community-based organization that could not afford to provide these services; ideally there is a more efficient total resource use, i.e. joint planning, joint projects, the involved parties present a more unified structure/ system to the legislature, funders, federal entities, etc.

As we strive to achieve a fully unified workforce development system, existing affiliate relationships should be strengthened and expanded to include other sites in the following ways:

- Establish a higher profile and expectation of involvement by all partners in the WFC system;
- Hold jointly-planned, regular system integration meetings with local WFC managers, affiliate directors, and others in the regional workforce development system;

- Provide greater mutual recognition and marketing of the workforce development system at all levels of the organizations.
- Create a task force to develop system collaboration on an ongoing basis and be willing to conduct strategic planning to tackle mutual goals, find synergies and common purpose, build a new more mutual relationship based on respect and appreciation of the contributions made by each player.

Much of this work should be led by local leaders, the new workforce and economic development agency, and further facilitated through the emerging leadership structures described by the agency reorganization Transition Team. The workforce development system is a web of services and programs comprised of WorkForce Centers, community-based organizations, educational institutions, and others. All entities benefit as they explore ways to tie their resources together, which includes both funding and services because part of the mutual relationship is financially supporting the common enterprise.

In the context of economic development, all community assets should work together on local and regional efforts that address the links between government, business, and community-based organizations. The goal should be for business to be able to feel that the public and nonprofit sectors are responsive to their employment-related needs and we need to continue to provide the level of service that supports our mutual clients' needs⁶.

How Are We Doing?

Customer service issues

MDES and local partners have made a commitment to excellent service through the WorkForce Centers. Significant investments in Baldrige quality training and techniques were made during the first years of WorkForce Center operations. Federal emphasis on measuring and improving customer satisfaction has supported Minnesota's commitment to quality. Finally, the personal engagement of Governor's Workforce Development Council leadership (particularly Chairman Roger Hale) in promoting continuous improvement / quality approaches has made quality and customer service leading issues among local practitioners.

However, as in any large scale operation involving many sites and a multitude of providers, there have been gaps in quality service and there is a continuing need to improve training and support functions to ensure quality front-line service everywhere, every time. Early data from a customer satisfaction pilot in Dakota County as well as efforts by local advocacy groups have highlighted particular issues regarding customer service that need to be addressed in the short-term and built into the long-term credentialing and support system for the state's WorkForce Centers.

⁶ Information in the Community Assets section is from the December 20, 2001 Affiliate Sites Report. A complete version of this report is included in Appendix D.

The pilot data from Dakota County suggested that customers are generally satisfied with the level of service that they received. However, clients reacted slightly less favorably when asked whether the services would shorten their search, help them find a job, or improve their employment situation. One possible reason for this is the nature of the questions themselves. The first set of questions could have been answered based on the customer's experiences. However, with the second set of customer service questions, the outcomes are more arbitrary because the client is asked to speculate as to whether the services were helpful or not. For example, one question that the third party surveyor asked is, "How satisfied are you that the services provided by the WorkForce Center help or helped you improve your employment situation?" Some of the concerns that surfaced during this study are:

- Level of concern/empathy for the client
- Proactive staff
- Client follow-up
- Technology
- Staffing levels

Along with the concerns were positive comments regarding the WorkForce Center system. Though most of the positive comments refer to service issues, the clients also made positive comments about specific individuals.

After this pilot study was completed, the MN Department of Economic Security and its partner organizations designed an ongoing telephone survey measuring job seeker satisfaction. The Center for Survey Research and Analysis (CSRA) at the University of Connecticut conducts the surveys and reports the results. The people interviewed include participants from the following programs: Job Service including veterans, WIA Title IB adults, WIA Title IB youth and MN youth, WIA Title 1B and State Dislocated Worker, MFIP, FSET, Vocational Rehabilitation, and SSB's workforce development. Random samples of participants are generated monthly from this pool of people. The one-year results for this study will be reported in November 2002 and tentative results will be reported mid-year.

In addition to internal program and customer satisfaction measurement, the MN Department of Economic Security has been responsive to external feedback from constituents and customers using the WorkForce Centers. A "testing" effort in early 2001 by the local arm of the Jobs and Affordable Housing campaign yielded poor customer interactions in some Minneapolis and St. Paul Workforce Centers and suggested several improvements to be considered at local, state, and federal levels. This advocacy group, and others, have suggested that WorkForce Centers should



Are we doing well?

How well does a given WorkForce Center perform relative to peers in similar locales, statewide, or to benchmarks outside the WorkForce Center system? What do customer satisfaction surveys tell us about the work of a given Center?

require registration of clients, have an intake session to educate participants on services, have an outline of services provided, improve job listing systems and processes, and create more opportunities for on-the-job training and more widely available core services.

MDES has expanded and improved existing customer service and training protocols, and made other improvements in response to customer concerns. Additional suggested improvements will be built into the credentialing process. Other concerns regarding staff training and registration of all WorkForce Center guests are part of on going processes that are constantly being developed and modified based on the evolution of the Centers.

The Magnet Effect

The real benefit of Minnesota’s WorkForce Centers is to serve as a focal point for workforce development and employment-related services in a given community. A critical challenge in implementing the Centers has been to move from simply co-locating several federal and state programs to truly integrating services. A further challenge is helping the Centers to become magnets for other community-based services. In many communities, local leadership and state support has resulted in WorkForce Centers becoming the “host” or “hub” for a wide range of community-based services and local investments. Even in cases where the first challenge from co-location to integration may be slow in coming, partners have really made the WorkForce Center their home base and have promoted a tightly woven tapestry of federal, state, and locally driven services.

In part, looking at the financial and staffing arrangements of a given Center can measure the “magnet effect”. Those that have become strong magnets attract a good deal of funding beyond the required federal programs. In many cases, it is also evident in staffing when there is a significant staff presence including local community-based organizations, county staff, and others including the state staff under the direction of MDES.



Are we a local magnet?

To what degree has a given WorkForce Center become a magnet for community engagement and investment? Are there multiple partners in a given Center? What are the relationships like among Center staff and neighboring agencies/partners? Are there substantial funding or staff resources coming to a given Center from sources other than the federally required program partners?

The chart below shows the percent of magnet partner funding relative to the total resources available for six WorkForce Centers. These six WorkForce Centers represent the three highest and the three lowest percentages and indicate how Centers do or do not illustrate “the magnet effect” in regards to funding.

WorkForce Center	Subtotal of Core Partners Budget Resources	Subtotal of Magnet Partners Budget Resources	Total Budget Resources Available by WFC	% of Magnet Resources Available versus Total Resources
WorkForce Centers with the Highest Percent of Magnet Resources versus Total Resources				
St. Paul (East 9 th Street)	\$413,372	\$3,038,783	\$3,452,155	92.21%
Washington County	\$455,671	\$1,776,777	\$2,232,448	79.59%
Mora	\$419,032	\$1,351,414	\$1,770,446	76.33%
WorkForce Centers with the Lowest Percent of Magnet Resources versus Total Resources				
St. Paul (Downtown)	\$2,694,929	\$395,255	\$3,090,184	12.79%
Faribault	\$1,674,108	\$286,273	\$1,960,381	14.60%
Mankato	\$3,707,892	\$643,087	\$4,350,979	14.78%

As shown above, 92.21 percent of the Ninth Street, Saint Paul WorkForce Center’s financial resources come from its magnet partners, whereas, 12.79 percent of the Downtown Saint Paul WorkForce Center’s resources come from magnet partners.

The “magnet effect” can also be measured by staffing arrangements. Currently statewide, 74.3 percent of WorkForce Center staff are from the core partners, and 25.7 percent are from the magnet partners. In terms of MDES staff versus non-MDES staff, 57.8 percent of the staff in the WorkForce Centers are non-MDES staff, and 42.2 percent of the staff are MDES staff, statewide. The following chart reflects the percent of total WorkForce Center staff who are provided by entities other than the four core partners.

WorkForce Center	Subtotal of Core Partner Staff by WFC	Subtotal of Magnet Staff by WFC	Total Staff in WFCs	% of Magnet Staff Available versus Total Staff
WorkForce Centers with the Highest Percent of Magnet Staff versus Total Staff by WFC				
St. Paul (East 9 th Street)	6	71	77	92.21%
Dakota County (Burnsville)	20	36	56	64.29%
Minneapolis North	29	48	77	62.34%
WorkForce Centers with the Lowest Percent of Magnet Staff versus Total Staff by WFC				
Winona	15.5	0.5	16	3.13%
Red Wing	13	0.5	13.5	3.70%
Dakota County North	24	1	25	4.00%

Complete data regarding percentages of staffing and funding resources are located in Appendix A of this document.

V. RECOMMENDATIONS

Governance of a successful WorkForce system depends on a balance of statewide guidelines and protocols that ensure consistency in the customer experience and local implementation that ensures Centers are responsive to local needs and conditions. Following are specific recommendations that are drawn from the preceding analysis.

Resolution of site-specific issues

There is an existing forum for discussing site-specific issues as they emerge from the field. The MDES “Logistics Team” regularly reviews lease obligations and other information relating to the physical location of existing WorkForce Centers. The items listed below are drawn from the current knowledge of that group as well as responses to a specific request of local WorkForce Center managers and Workforce Council leadership regarding immediate or emerging site-specific issues.

Consolidation based on WSA recommendations outlined in the WSA profiles.

- There have been discussions to consolidate the Ramsey County WorkForce Centers located at 494 Sibley Street and 55 East Fifth Street in downtown Saint Paul. The WorkForce Center on Sibley Street is currently in city-leased space. The City has notified the WorkForce Center partners that the WorkForce Center is to vacate this space by the end of September 2002. While there have been discussions to move into space on Grove Street near Lafayette and E. 7th Street, the space is in the very initial state of renovation by the county. Also, the county has not made commitments to potential lessees, including other county services. If the space on Grove Street is developed into a WorkForce Center, the WorkForce Center on Fifth Street in Saint Paul could be moved to the Grove Street site as well, which would consolidate these two sites. The local managers are very interested in this idea and meetings have taken place to develop these ideas.
- Currently there are three WorkForce Centers located in Dakota County. Two of them are located in the northern end of Dakota County at 60 E. Marie Avenue and 33 W. Wentworth Avenue in West Saint Paul. These two sites will be combining into one new county building located on Southview Blvd in West Saint Paul early in Fall 2002.

 Could we consolidate or relocate?

Do we have an upcoming consolidation opportunity? There are approximately 16 WFCs that are up for lease renewal during 2002 which should be reviewed using the framework of this report. In some areas where space is at a premium, or existing space does not quite fit the local vision or current customer need, alternative locations and/or consolidations with other sites may be in our best interest.

Short-term recommendations

Following are actions to be taken within the next twelve months to strengthen the WorkForce Center system.

1. Governance

As noted in the background, Minnesota embarked on its WorkForce Center system development with program partnerships as a central element of the system design. Since their inception, the WorkForce Center partnerships have expanded and been significantly strengthened through MDES' reinforcement of the importance of the partnership and through local leadership efforts to support partnerships with the state. However, the emphasis on equal partnerships has come, at times, at the expense of clarity about decisionmaking regarding workforce area management and individual WorkForce Center operations. With a strong history of promoting local/state partnerships, we have the opportunity to build on these partnerships and move forward, transitioning as WIA guides us to do, to enable local leaders to play a key role in the decision-making process.

- a) **Local Workforce Councils have substantial decisionmaking authority over the physical siting and operations of local WorkForce Centers.** Building on Minnesota's tradition of strong local leadership and the state's vision that state agencies support local and regional decisionmaking, we should clarify the decisionmaking authority of Local Workforce Councils to determine the best locations from which to deliver service to local jobseekers and employers. Further, local leadership must have the flexibility within federal and state guidance to make programmatic and service delivery decisions in order to remain responsive to local needs.
- b) **Chairs of Local Workforce Councils should work with state and local partners to update their original WorkForce Center charter/partner agreements to clarify the shared leadership roles of program partners, so customers have very clear information about who to contact for program service questions.** Currently, some Centers have very clear protocols for answering such questions and others do not. Each Chair should also work with state and local partners to update agreements to clearly identify how the program management staff share leadership and administrative functions in the WorkForce Centers. Shared leadership is a hallmark of the MN Workforce Center System, and the GWDC will insure to build on this value during the discussions regarding the credentialing process. The original WorkForce Center charter process needs updating to reflect the WorkForce Center System's evolving system leadership issues, and the GWDC will include recommendations on this important area during the credentialing discussion scheduled for the Spring Leadership Institute on April 10 and 11.

2. Infrastructure / staffing patterns

Staffing levels and program resources are insufficient to meet local needs around WorkForce Centers. The MDES sustainability study identified WorkForce Center staffing the primary cost of maintaining local operations. In addition, recent criticisms of the WorkForce Center system⁷ identify staffing patterns as well as staff support and training issues as key areas needing attention. To ensure consistency in the customer experience across all WorkForce Centers, there are several staffing issues that require attention.

- a) **Build on the award-winning South Central Training Team model to establish a statewide staff training and support function for all WorkForce Center staff.** State agency(ies) shall expand and strengthen existing efforts to establish guidelines for training, support, and common protocols to be implemented in WorkForce Centers and affiliates, e.g., Resource Rooms, reception, telephone protocol, technology applications, etc. The state has made a significant investment in creating a common “look and feel” for the WorkForce Center system which needs to be extended by ensuring that each customer experience is a high quality one. MDES currently supports such protocols for Resource Areas and telephone interactions. These efforts should be expanded and strengthened to other WorkForce Center core functions.
- b) **The new state agency shall strengthen its ability to serve as a single point of contact to broker WorkForce Center infrastructure/support needs.** While the “Logistics Team” and the “Systems Integration Unit” currently handle some of this function, field staff would benefit from a stronger program integration function. This unit would function as the internal customer service center for WorkForce Center staff – regardless of programmatic lines of authority. Funding to support resource areas, equipment replacement, and print materials needs to be identified. The 2001 legislature eliminated the funding that was used to support this infrastructure. Implementation of the point of contact could significantly improve customer experiences in WorkForce Centers.
- c) **Begin succession planning now to figure out how to staff field operations in the future.** Analysis shows that half of MDES’ current employees are at least 51 years old. With average state employee retirement age at 59, projections suggest that MDES will experience significant retirement losses within the next four years. As one example, a more detailed analysis of MDES staff shows that nearly one-third of current MMA members (regional managers, supervisors) are retirement eligible now based on the Rule of 90. This may be an appropriate time to consider transforming our field staffing patterns to better integrate our service delivery to employer and jobseeking customers. This may be an opportunity to also explore the cross-program/agency supervision model written into Iowa’s state legislation that allows civil service staff from one agency to supervise staff from another agency. It is acknowledged that there are legal interpretations that have stood in the way of this type of cross-program supervision, but solutions which are promising should be reviewed for possible

⁷ “Job-help centers may need work, August 22, 2001, Star Tribune”

use here. The GWDC Executive Committee expects that this issue can be revisited in the near future.

3. Performance measurement

- a) **Build on current efforts to strengthen data collection and reporting so that more of the WorkForce Center “story” is told.** The development of the One-Stop Operating System (OSOS) for consolidating management information systems, is a critical step for system integration, improved accountability, and to make the system a true one-stop system, overall. The OSOS will further encourage the use of a single database to track services for employers. In addition, continuing to support a statewide customer satisfaction survey adds a valuable dimension to our performance information portfolio. Key missing elements are the ability to count individuals who make use of WorkForce Center services (including online access) without registering for individual programs and to track employment outcomes and the system’s effectiveness. State agency(ies) working with local elected officials should determine an acceptable method for WorkForce Centers to count such service to individuals and employers and implement this method.
- b) **Local Councils are encouraged to develop specific outcome areas focused on employer customers.**

Many Local Workforce Councils have begun to focus services on employers as well as traditional job seekers. State agency(ies) will provide support for benchmarking and measuring employer-based outcomes developed by Local Workforce Councils and will investigate funding sources for employer services.

 How do we serve employers?

How do we differentiate between our services to employers vs. services to jobseekers? How do we measure our services to employers? Where do employers in our area turn to when they need help with labor needs or other growth/change issues?

Template for state and local credentialing of WorkForce Centers

The elements that make up the initial and current certifying process for the WorkForce Centers were defined in the Minnesota One-Stop Career Center System Proposal. This proposal was developed over a two- year period (1993 –1994) through a collaborative planning effort involving many different agencies and all the partners within the Minnesota Department of Economic Security as well as strong local involvement. The initial certifying process for WorkForce Centers began in 1995 and continues to the present as existing sites expand, remodel or relocate.

In order for the state of Minnesota to initially certify as well as continue to certify a WorkForce Center, the site must engender five basic principles and have 14 “implementation elements” in place the effect of which is to create a common look and feel to each WorkForce Center⁸.

Between 1998 and today, the WorkForce Centers have continued to evolve based on local and state needs. The centers have become more visible within their communities, they offer more varied programs and services, and they offer better-integrated customer service. This maturing of the system was the result of state and local level staff continuing to work in concert through a governance structure initially identified as the “Issues Team” and currently named STAR (Strategic Alignment of Resources). This governance structure oversees work done to develop and refine processes and formal agreements such as cost allocation methodology, job seeker/employer/youth services, marketing and promotion of the centers’ services, development of a one-stop operating system, site and service accessibility, system customer satisfaction development and implementation, etc all of which serve to continuously improve Minnesota’s one-stop service delivery system.

The Future

Based on the chartering system that was developed in years past, the Governor’s Workforce Development Council will continue to develop a system for WorkForce Centers and affiliates within the next year. Continuing the evolution of a sound credentialing system for Minnesota’s WorkForce Centers is a crucial step in maintaining customer service levels across the system. The following steps will be taken to continue the credentialing process:

- At the Spring Leadership Institute, April 10-11, 2002 two areas of the certification program will be addressed.
 1. Four certification models for Centers: Carf, Baldrige, ISO, and Minnesota’s own.
 2. Certification processes for Local Workforce Councils.
- By April 30, 2002, the Governor’s Workforce Development Council will make recommendations in coordination with WorkForce Centers, the Department of Economic Security and the Department of Trade and Economic Development regarding accreditation.
- Between April 11, 2002 and May 31, 2002 a GWDC Standards Committee will meet to develop Minnesota’s standards based on recommendations from the Spring Leadership Institute.
- By June 28, 2002 the proposed standards and proposed guidelines for WSA certification boards will be posted on the GWDC website for comment.
- Based on input regarding the proposed standards and board guidelines, the staff of the GWDC will present a proposal to the GWDC during their July meeting.
- Applications will be distributed to the WorkForce Centers by September 15, 2002.

⁸ These five principles and 14 “implementation elements” can be found in Appendix C-3.

Long-term strategic directions

This WorkForce Center strategic plan is one of several pieces that, taken with the pending reorganization of Minnesota's workforce and economic development agencies, represent significant shifts in the state's role relative to local decisionmaking and service delivery. There are many ideas that fall outside the specific purview of the WorkForce Center system but which significantly impact its operations and effectiveness. Following are a few suggested directions to be explored by state and local leaders during this period of transition.

- a) Local Workforce Councils in concert with other local and regional stakeholders could conduct regional scans to identify their own local industry priorities and then strategically direct training dollars in their area. Much attention has been given to state-level "clustering" of industries and/or identification of "priority" areas for economic growth. While this may be problematic for some if done at a state level, it is certainly within the range of local economic development vision to identify growth industries or sectors regionally based on broad labor market area needs. Other states have explored giving local workforce leadership the ability to exercise their discretion in directing training funds in their area to achieve maximum impact.
- b) The state and localities should identify funding (consider higher education and tax credit options) that would "match" federal sources to create a larger and more widely available pool of training funds that could be "deposited" into Individual Training Accounts through WorkForce Centers. Developing a funding source for this purpose would "level the playing field" among jobseeking customers so that all have adequate training resources at their disposal, regardless of eligibility for specific federal or state programs, demonstrating Minnesota's commitment to individual choice.
- c) A vital service to support both employers and job seekers is the use of skills-based job assessments and individual evaluations. There are multiple tools available, e.g., Work Keys for doing this work, some of which have been adopted by different state and local agencies and institutions. At a minimum, the GWDC and the new state agency should develop a "tool box" of such tools that will be supported statewide for use by job seekers and employers through state or local agencies.
- d) Minnesota must continue to coordinate resources meeting workforce literacy needs. It is critical that public funding available for Adult Basic Education and English as a Second Language be closely coordinated with workforce development efforts across the state and in all Minnesota school districts.

CONCLUSIONS AND NEXT STEPS

Local Workforce Councils should begin discussion and analysis to answer the questions posed in the local lens boxes throughout the document. By considering these questions, Local Councils will be able to guide the WorkForce Centers to become more efficient and responsive to customers' needs. Also, as lease renewals are evaluated, the questions posed in this document will help the Councils determine whether or not

the Centers should be maintained, consolidated, relocated, or dissolved. Leadership from Local Workforce Councils to position WorkForce Centers as centerpieces of local service delivery will be welcome under any broad strategic direction that may be defined further at the state level.

As stated in the recommendations section of the plan, Local Workforce Councils and the new state agency should be able to address the short-term recommendations within the next twelve months. These recommendations will strengthen the WorkForce Center system by solidifying governance issues, broadening and supporting system infrastructure, and creating a framework for higher levels of performance over time. In the short-term, the GWDC Executive Committee believes these recommendations dovetail with those of the agency reorganization Transition Team.

The long-term recommendations and future strategic directions should be addressed by local decisionmakers in concert with the new leadership structures recommended by the Transition Team within the next two years (Minnesota Economic Leadership Team and virtual regional planning efforts). By continuing the development of a credentialing system, Minnesota's WorkForce Centers will have to meet quality expectations set by state-adopted standards. The enhancement of the accreditation process has already begun at the state level and will continue to develop through the GWDC over the next two years. The suggested future strategic directions should also be considered as possible ways to strengthen the system within the next two years. The GWDC looks forward to working closely with the leadership of the new agency, and the newly established Minnesota Economic Leadership Team (MELT) and Executive Coordinating Group to move forward the vision of this plan.



How do we use the data?

A note to local leadership on the use of data in this report. The data presented in Appendix A was drawn from central management at MDES and from field managers in each of the Workforce Service Areas. It is raw data that is not intended, on its own, to point conclusively to closures, staff changes, or other programmatic changes. It should be reviewed, understood, and analyzed in the context of the other dimensions presented in the Plan.

A P P E N D I C E S

- A. Site profiles identifying funding sources, staffing patterns, and status of individual WorkForce Center locations by Workforce Service Area.

- B. Supporting material from internal MDES WorkForce Center sustainability study (May 2001)
 - B-1. Figures regarding staff, physical costs, and square footage by WorkForce Center.
 - B-2. WorkForce Center ranking within WSA by demographic and customer data
 - B-3. Scatograms identifying program customers by geography
 - B-4. Assumptions and criteria developed for internal analysis

- C. Background material on Minnesota WorkForce Center system development
 - C-1. Excerpt from Minnesota one-stop system grant application
 - C-2. Chronology of Minnesota WorkForce Center system development
 - C-3. Elements used in initial credentialing of WorkForce Centers

- D. Detail report on status of WorkForce Center Affiliates

- E. Mileage Charts

- F. Maps
 - F-1. Minnesota WorkForce Center locations, University of Minnesota and MnSCU campuses
 - F-2. MnDoT “Minnesota By Design” report showing regional business centers and transportation corridors throughout Minnesota.