

# 2011 WorkForce Center Report

Report to the Legislature as required by  
*Minnesota Statutes 116L.665, Subd. 3n and 4*

January 2011



## WORKING TO CLOSE THE SKILLS GAP



**Governor's Workforce Development Council**

Policy Solutions that Work for Minnesota

## Governor's Workforce Development Council

The GWDC's mission is to analyze and recommend workforce development policy to the Governor and Legislature toward talent development, resource alignment, and system effectiveness to ensure a globally competitive workforce for Minnesota.

The GWDC Executive Committee approved the 2011 WorkForce Center Report recommendations in January 2011.

### Executive Committee Membership

Cynthia Leshner, Chair	James McCormick
Twyla Flaws, Vice Chair	Dan McElroy*
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Note: State agency commissioners changed during report development due to Gubernatorial change.

\* indicates commissioner appointed by Governor Pawlenty.

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### Mandate and Membership

As Minnesota's state Workforce Investment Board, the GWDC is mandated and funded by Section 111 of the federal Workforce Investment Act of 1998 and further defined by Minnesota Statutes, section 116L.665. The 2011 WorkForce Center report fulfills the GWDC's legislative responsibilities listed in Minnesota Statutes, section 116L.665, subdivision 3n and 4.

Council membership is dictated by state statute to include the following sectors: business and industry, community-based organizations, education, local government, organized labor, state agencies, and the state Legislature. Twenty-seven GWDC members are appointed by the Governor and serve terms three years in length. Two state Representatives and two state Senators are appointed to the GWDC by their majority and minority leaders.

### Acknowledgements

The 2011 WorkForce Center Report is the collaborative work of the GWDC Executive Committee. The GWDC acknowledges the following individuals, in addition to countless other stakeholders, who contributed their time and expertise to the policy development process.

Twyla Flaws, GWDC Vice Chair, served as the primary representative of the GWDC for report development.

Bryan Lindsley, GWDC Executive Director, served as lead researcher and principal author.

Nick Maryns, GWDC Senior Policy Analyst, developed and designed all charts and graphics.

Rick Caligiuri, Job Seeker Services Director for the Department of Employment and Economic Development, acted as a primary survey contact.

Anne Olson, Director of the Minnesota Workforce Council Association, acted as a primary survey contact.

Cindy Farrell, Chief Financial Officer for the Department of Employment and Economic Development, provided budget information.

## Table of Contents

Executive Summary.....	page 3
Introduction.....	page 5
Part I: Workforce System Challenges and Funding.....	page 7
Part II: Identifying and Addressing Gaps in Workforce Services.....	page 11
Part III: Recommendations.....	page 17
Appendix I.....	page 21
Appendix II.....	page 23
Appendix III.....	page 26
Appendix IV.....	page 27
Endnotes.....	page 28

The total cost of salaries, printing, and supplies in developing and preparing this report was \$8,169 (reported as required by Minnesota Statutes 3.197).



Dear Members of the Minnesota Legislature,

**We are pleased to present three strategic recommendations** on the performance and outcomes of Minnesota's WorkForce Centers. On behalf of the GWDC Executive Committee, please accept these policy solutions to help close the skills gap.

The 2011 WorkForce Center Report is the sixth report to the Minnesota Legislature in fulfillment of Minnesota Statutes 116L.665, Subd. 4. Previous reports have presented strategic plans (2002, 2003), a business plan (2005), a new vision (2007), and studied Workforce Center resource areas (2009). The 2011 report focuses on how WorkForce Centers can address the state's growing skills gap. In just seven years, 70 percent of Minnesota jobs will require education beyond high school and WorkForce Centers must help us meet this demand.

The report also responds to a recommendation from the Office of the Legislative Auditor (and also a new GWDC duty – Minnesota Statutes 116L.665, Subd. 3n) to develop an ongoing process to identify and address local gaps in workforce services.

Finally, this report goes hand in hand with the GWDC's 2011 Policy Advisory, *All Hands on Deck: Sixteen Ideas for Strengthening Minnesota's Workforce*. No one policy or organization will be able to close Minnesota's skills gap – but together, through collaboration and multiple policy changes, Minnesota can answer the call of tomorrow's economy.

The Council stands ready to help you implement these recommendations for the good of Minnesota.

Sincerely,

Cynthia Leshner,  
Chair

Twyla Elaws,  
Vice Chair

Bryan F. Lindsley,  
Executive Director

January 2011





# Executive Summary

Minnesota has long recognized that the key to opportunity and shared prosperity rests in the quality of its workforce. This recognition has been the driving force behind the creation and support for Minnesota's WorkForce Center system. Every month, WorkForce Centers help over 20,000 Minnesotans find employment, start businesses, and upgrade their skills.<sup>1</sup>

With locations in every region of the state, WorkForce Centers are well-positioned to address Minnesota's most important workforce issue: the growing skills gap. By 2018, 70 percent of Minnesota's jobs will require some sort of postsecondary education or training<sup>2</sup>, yet today only 40 percent of working-age adults in Minnesota have a postsecondary degree, such as associate's or bachelor's degree.<sup>3</sup>

However, Minnesota's WorkForce Centers struggle to meet the extraordinary demand from jobseekers due to fragmented and insufficient funding for basic services. By allocating existing state funds to WorkForce Centers, the state would be better equipped to tackle the growing skills gap.

Based on input from the Department of Employment and Economic Development, the Minnesota Workforce Council Association, and community-based workforce service providers, the GWDC recommends three ways Minnesota's WorkForce Centers can help close the skills gap, and outlines a process for identifying and addressing unmet needs. It should be noted that these recommendations do not require additional state funds, but rather a realignment of existing funds.

- » **Recommendation 1:** The state should align discretionary state resources to adequately fund services to customers in WorkForce Centers (see page 17).
- » **Recommendation 2:** WorkForce Centers should address the skills gap directly by providing career counseling and other resources that help workers and jobseekers obtain some sort of postsecondary education or training (see page 17).
- » **Recommendation 3:** The state should empower Local Workforce Councils to continuously identify needs and gaps in local workforce services, and regularly report local unmet needs to the Department of Employment and Economic Development and the Legislature (see page 18).
- » **Process to identify and address local gaps in workforce services:** Legislators should make discretionary workforce spending decisions based on reports of unmet needs from Local Workforce Investment Boards. Upon request from the Legislature, the Department of Employment and Economic Development should administer a competitive request for proposals to address reported unmet needs (see page 18).

WorkForce  
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skills gap.





# Introduction

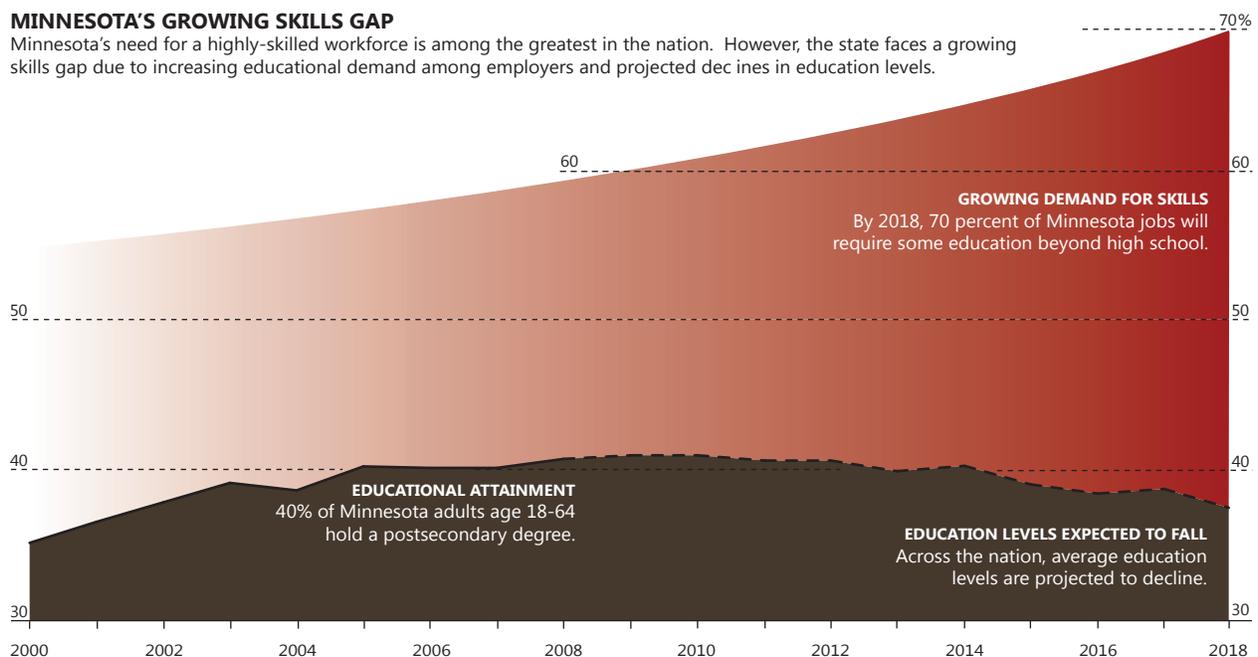
Minnesota must focus on creating jobs and reducing unemployment. While the need for jobs in the near-term is undeniable, Minnesota's economy faces a longer-term threat related to a lack of skilled workers. Simply put, Minnesota faces a growing skills gap. Just seven years from now, 70 percent of Minnesota jobs will require education beyond high school.<sup>4</sup> Minnesota's growing need for a highly-skilled workforce, which is among the greatest in the country, has been brought on by an increasingly competitive global economy and rapidly evolving technologies.<sup>5</sup> Yet today, only 40 percent of working-age adults in Minnesota have a postsecondary degree.<sup>6</sup> This growing skills gap has enormous implications for Minnesota's economic competitiveness and the ability of its citizens to secure a middle-class lifestyle.

By 2018,  
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As Minnesota faces the skills gap challenge, the state's WorkForce Centers struggle to meet the needs of jobseekers. As the Department of Employment and Economic Development reports, "not all customers [receive] the effective, timely, and high quality services that we strive to provide and that customers expect and deserve."<sup>7</sup> Reports to the Legislature from the Office of the Legislative Auditor, Department of Employment and Economic Development, and Minnesota Workforce Council Association agree that Minnesota does not provide adequate resources for basic services in WorkForce Centers.<sup>8</sup> Funding for staff is cobbled together from a variety of sources and no specific funding source covers the cost of WorkForce Centers' infrastructure.<sup>9</sup> As the Office of the Legislative Auditor reports,

## MINNESOTA'S GROWING SKILLS GAP

Minnesota's need for a highly-skilled workforce is among the greatest in the nation. However, the state faces a growing skills gap due to increasing educational demand among employers and projected declines in education levels.



Sources: American Community Survey, U.S. Census Bureau; Help Wanted, Georgetown University Center on Education and the Workforce; National Center for Higher Education Management Systems. Trendlines beyond 2008 are based on single-point-in-time estimates.



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fragmented authority and segregated funding for workforce programs results in diffuse performance accountability and gaps in service.<sup>10</sup>

This report examines how Minnesota can use existing state resources to adequately fund basic services in WorkForce Centers while addressing the skills gap.

Part I details workforce challenges and outlines workforce spending in Minnesota. This section gives an overview of how existing funds are spent and shows why focusing on long-term outcomes, such as closing the skills gap, is crucial.

Part II presents results of surveys sent to the Department of Employment and Economic Development, the Minnesota Workforce Council Association, and community-based workforce service providers. This section examines recommendations from the Office of the Legislative Auditor to develop an ongoing process to identify and address local gaps in workforce services.

In Part III, the GWDC recommends three ways legislators can help Minnesota's WorkForce Centers better serve customers and close the skills gap, and outlines a process for identifying and addressing unmet needs.



# Part I: Workforce System Challenges and Funding

Minnesota's WorkForce Centers serve over 20,000 customers each month.<sup>11</sup> With multiple locations in every region of the state, WorkForce Centers are valuable resources that should address the biggest long-term workforce challenge facing our state – a growing skills gap. Just seven years from now, 70 percent of Minnesota jobs will require education beyond high school.<sup>12</sup> Yet today, only 40 percent of working-age adults in Minnesota have a postsecondary degree.<sup>13</sup>

The skills gap is a consequence of a decline in skills due to demographic shifts and a move towards higher-skilled jobs. As the highly-educated baby boomer generation reaches retirement, employers will begin to see a worker shortage, particularly in occupations requiring higher levels of skill. The younger generations that will replace the baby boomers will be smaller, more diverse, and generally less educated, and for the first time since the government started keeping track, the average education of American workers is expected to decline.<sup>14</sup>

Also, though unemployment rates are currently high, a longer-term consequence of the current recession is a shift towards higher-skilled jobs. Fully 71 percent of American workers are in jobs for which there is low demand or an oversupply of eligible workers.<sup>15</sup> Projections show that many of these low-demand, often low-skill jobs will not survive the recession, and most of the recovery will be based largely on new jobs that require higher skills.<sup>16</sup>

Meeting these challenges will require allocation of existing state funds for staffing WorkForce Centers and a transformation of performance standards from short-term to long-term goals.

## **Adequate funding for staff**

The need for more staff to provide services in Minnesota's WorkForce Centers has been repeatedly chronicled in reports over the last several years. In the GWDC's 2009 WorkForce Center Report, the GWDC recommended that Minnesota provide additional staff in WorkForce Centers to meet the high demand for services. Last year, in separate reports, the Department of Employment and Economic Development and the Minnesota Workforce Council Association agreed on the urgent need to provide adequate funds for staff in WorkForce Centers due to a high demand for services.<sup>17</sup>

However, despite the consensus on the need for adequate funds for staffing WorkForce Centers, fragmented authority and segregated funding make change difficult. As the Office of the Legislative Auditor explained in a recent review of workforce programs:

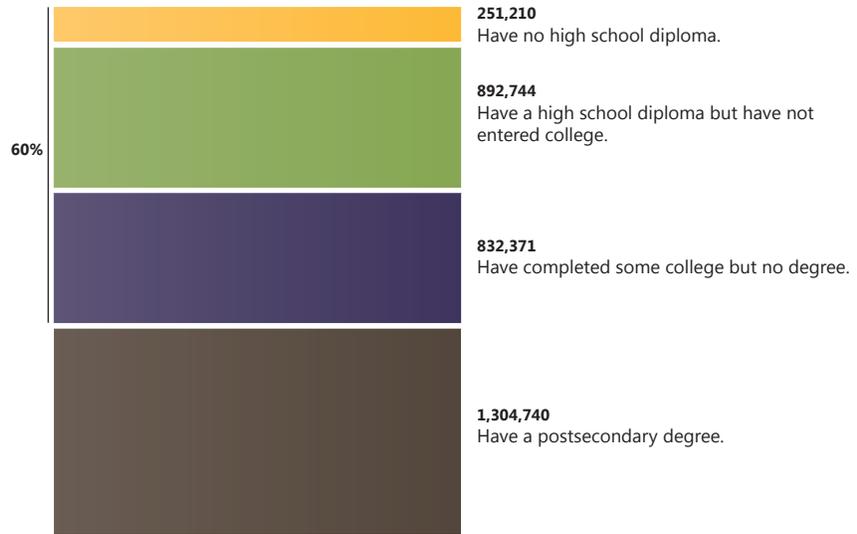
*Workforce programs are not an integrated unit. Control is divided among state agencies, local authorities, and nonprofit agencies. No single entity is in charge, and therefore no one is accountable for considering all needs. Funding is tied to*

Despite the consensus on the need for adequate funds for staffing WorkForce Centers, fragmented authority and segregated funding make change difficult.



### WORKING LEARNERS IN MINNESOTA

Among individuals 18 to 64 years old, six in ten lack a postsecondary degree.



Source: American Community Survey 2008, U.S. Census Bureau

*particular programs. Federal law grants little leeway to local workforce service areas to spend resources on meeting other needs. ...No funding is dedicated to these important services.<sup>18</sup>*

Minnesota needs a workforce system that focuses on meeting the long-term demand from employers for skilled workers.

In lieu of federal Workforce Investment Act reauthorization, Minnesota must tackle the challenge of staffing WorkForce Centers within its own means. Since federal funds cannot fill needs outside of program requirements, Minnesota is left with the choice of funding unmet needs or leaving needs unmet.

Minnesota spends approximately \$245 million annually on workforce and training programs (see page 9 for a breakdown of federal and state spending by program).<sup>19</sup> Yet, no specific funding source covers staff costs to serve customers in resource rooms or reception areas.<sup>20</sup> Funding for staff in WorkForce Centers is cobbled together from a variety of sources and results in inadequate service and customer support. Minnesota's allocation of federal Wagner-Peyser funding, which covers a portion of staffing costs in WorkForce Centers, has effectively decreased by half over the last 25 years due to inflation.<sup>21</sup> While many states supplement federal Wagner-Peyser spending with state resources, Minnesota does not.

In Minnesota, the Workforce Development Fund has been identified by the Office of the Legislative Auditor, among others, as a potential source of funds to better support WorkForce Centers.<sup>22</sup> Currently the Workforce Development Fund is divided approximately evenly between funding for dislocated workers and funding for a variety of other programs, including approximately \$5.1 million in appropriations to independent organizations (see page 9 for a breakdown of Workforce Development Fund spending).

### Transformation to long-term outcomes

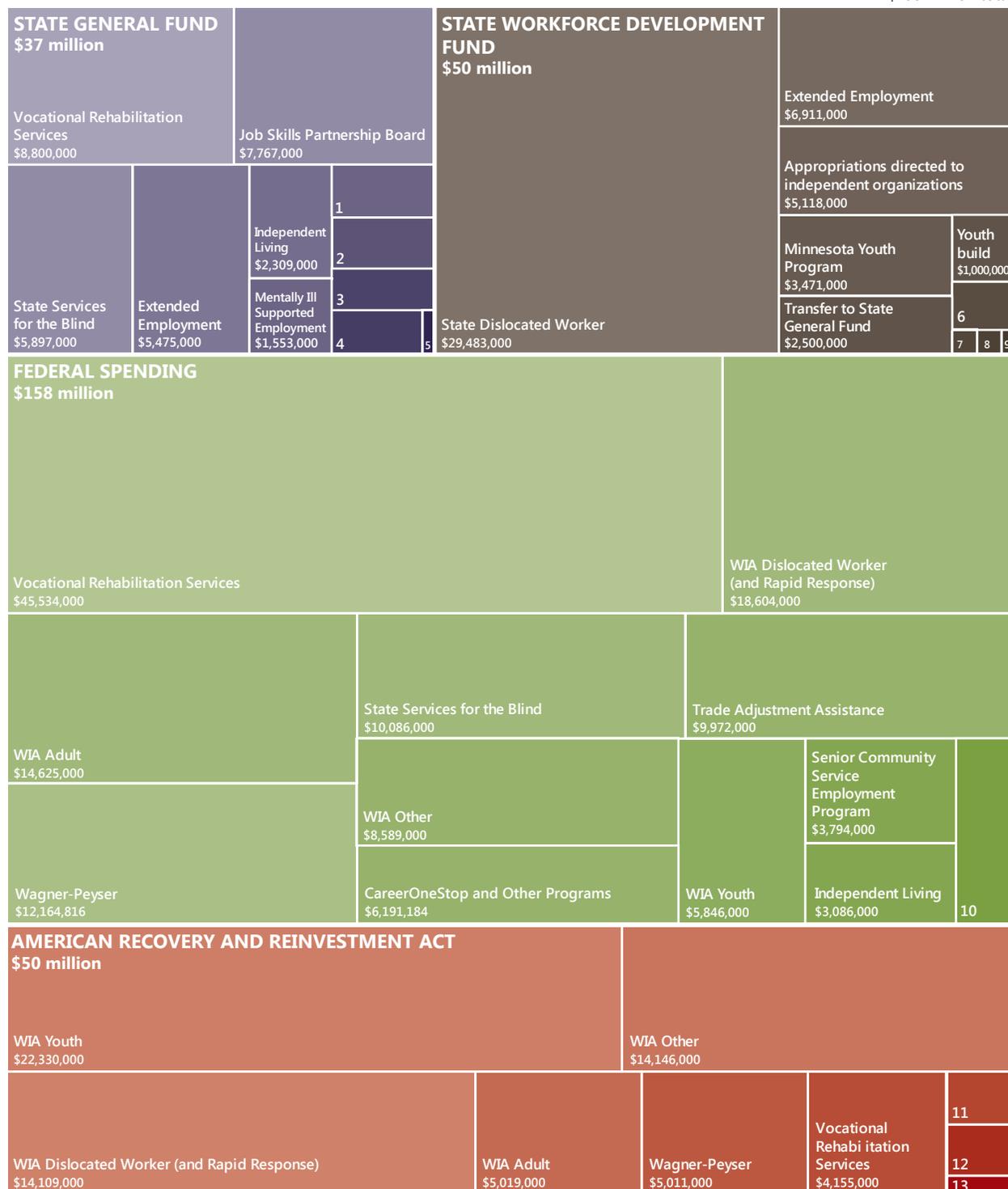
In light of the growing skills gap, Minnesota needs a workforce system that focuses on meeting the long-term demand from employers for skilled workers. Because Minnesota cannot address its skilled worker shortage without focusing on the current labor force, an ideal system would focus on helping workers upgrade their skills while still employed. Unfortunately, federal Workforce Investment Act programs were not intended to increase postsecondary credential attainment



## STATE AND FEDERAL WORKFORCE DEVELOPMENT SPENDING, FISCAL YEAR 2010

Rectangles in the chart are sized according to the amount of spending on that program.

\$295 million total



- 1 Administration for MFIP, DWP, FSET; Teen Parent MFIP; Work Experience MFIP; and funding for Minnesota Workforce One.** All services provided by DEED, \$1,341,000 (from DHS)
- 2 Appropriations directed to independent organizations,** \$1,295,000
- 3 Displaced Homemaker Program,** \$1,056,000 (from special revenue fund)
- 4 TANF Summer Youth,** \$999,000 (from DHS)
- 5 Extended Employment Wage Incentive,** \$125,000
- 6 DOLI Apprenticeship and Labor Education Program,** \$728,000 (Program may also receive some federal funds for veterans' apprenticeship program)
- 7 WIA Adult,** \$150,000

- 8 Prevailing Wage Enforcement,** \$147,000 (program may receive other DOLI general funds)
- 9 Minnesota Works,** \$75,000
- 10 Veterans Employment Services,** \$2,584,000
- 11 State Services for the Blind,** \$880,000 (Federal and ARRA funding includes Independent Living and Older Blind programs)
- 12 Independent Living,** \$832,000 (Excludes State Services for the Blind Independent Living programs)
- 13 Senior Community Service Employment Program,** \$329,000

**Notes:** Amounts exclude spending on unemployment insurance benefits, Minnesota Family Investment Program (MFIP) benefits and training, and other federal benefit programs. WIA denotes Workforce Investment Act. DHS denotes Department of Human Services. WIA Other includes National Emergency Grants, Project GATE II, WIRED, et cetera.

**Disclaimer:** This chart is for reference only - it was designed to compare major funding amounts and may not include all federal and state workforce funds or programs in Minnesota.

**Source:** Governor's Workforce Development Council, analysis of Department of Employment and Economic Development funding data.



WorkForce  
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or provide continuous career counseling over long periods.<sup>23</sup> The Workforce Investment Act of 1998 brought together a fragmented set of employment and training programs and created “one-stop centers,” known as WorkForce Centers in Minnesota, as a hub where people could access services in central locations. As explained earlier, Minnesota’s central one-stop hubs – WorkForce Centers – are unable to focus on meaningful long-term outcomes because they struggle just to maintain basic services for jobseekers and are required to meet short-term placement goals.

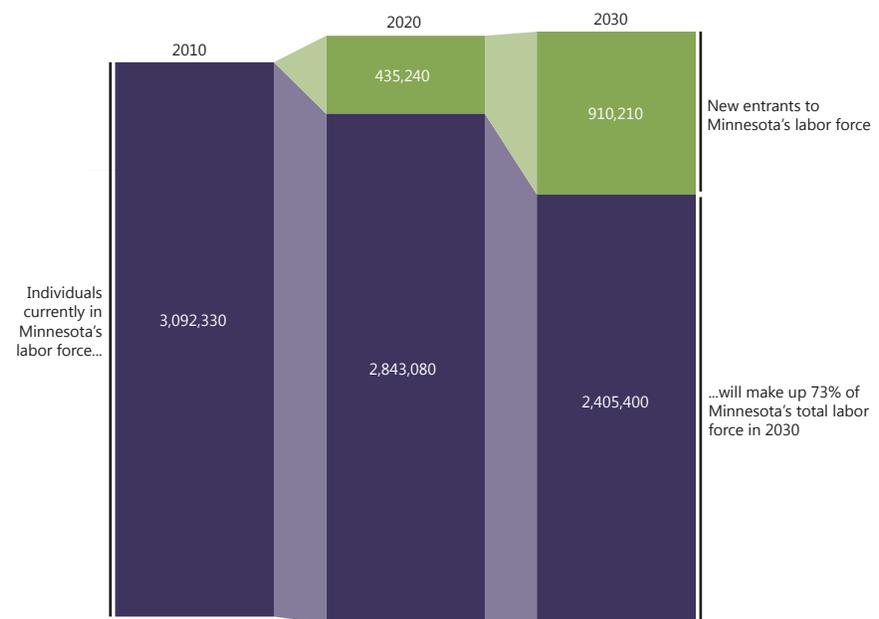
One promising vision for transforming one-stops around the country, and perhaps in Minnesota, was put forth by Louis Soares in a sweeping report titled *Working Learners*:

*To position working learners for postsecondary success, the workforce development system can no longer be a crisis intervention system focused on short-term job placement. It must become a career development system that prepares working learners to be able to successfully select and complete quality training over their lifetime using a continuous—if episodic—relationship based model. ...In today's economy career coaching is as much about help with personal decision making regarding work, education, and life responsibilities as it is about resume writing, job placement, and skills assessment.*<sup>24</sup>

Regardless of the model chosen in Minnesota, WorkForce Centers must be part of the solution for closing the growing skills gap. Transitioning to a focus on long-term performance indicators is a first step in that direction.

**MINNESOTA'S LABOR FORCE: 2010 to 2030**

Two decades from now, Minnesota’s labor force will be made up of largely the same individuals as now. Nearly three-quarters of Minnesota’s workers in 2030 are currently in the labor force.



Source: Labor Market Information Office, Minnesota Department of Employment and Economic Development



## Part II: Identifying and Addressing Local Gaps in Workforce Services

The Office of the Legislative Auditor's (OLA) *Workforce Programs* report recommended that the GWDC, together with Local Workforce Councils and the Department of Employment and Economic Development (DEED), should design a process to identify local gaps in workforce services and explore how to fill them. As the report stated, "Minnesota needs a process in which workforce needs drive decisions about spending instead of one where available funding determines the services offered."<sup>25</sup> Further, the responsibility to develop an ongoing process to identify and address local gaps in workforce service was added to the GWDC state statute during the 2010 legislative session.

In order to gather input, the GWDC developed a web-based survey based on the OLA recommendations. The survey was sent to staff members of DEED's Workforce Development Division, members of the Minnesota Workforce Council Association (MWCA), and stakeholders from community-based organizations that operate in WorkForce Centers or receive a direct legislative appropriation for providing workforce services.<sup>26</sup> Based on responses from their own organizations, leadership of DEED and MWCA both developed position papers regarding the five survey questions. A selection of key results from DEED, MWCA and summary findings from community-based organizations are summarized below.<sup>27</sup>

### Survey Questions

1. What are the major workforce needs unmet by existing funding streams?
2. What is the best way for Minnesota to continuously identify workforce needs at the local level, especially those unmet by existing funding streams?
3. What process should Minnesota use to compare competing proposals for filling unmet needs and select providers?
4. Once needs are determined and a process is identified, how should unmet workforce needs be funded in Minnesota, including funding level(s) and source(s)?
5. Once implemented, how should the process identified in Question #4 be evaluated?

“Minnesota needs a process in which workforce needs drive decisions about spending instead of one where available funding determines the services offered.”



## **Q What are the major workforce needs unmet by existing funding streams?**

As the OLA report stated, “When asked about population groups that lacked sufficient employment and training services, the service area directors and program managers most often identified people for whom specific programs have not been designed. As one service area director put it, the underserved are those who do not “fit our funding streams.” Another compared the workforce programs to a “patchwork quilt” with each pattern defined by narrow eligibility criteria. People who do not fit those criteria are far less likely to receive one-on-one services and may avail themselves only of services available in the resource room or workshops that are open to all.”<sup>28</sup>

## **A WorkForce Center resource rooms are unable to meet demand**

WorkForce Centers have a responsibility to serve the general public, which means providing services to any individual seeking work-related services in WorkForce Center resource rooms.<sup>29</sup> For many reasons, including high unemployment, demand for basic services in resource rooms is so high that staff are unable to meet the demand. Unfortunately, individuals who need the most help are the ones who go without adequate services. For example, survey respondents often identified gaps in service for individuals with multiple barriers, such as those with low basic skills, lack of job-related skills, no high school diploma or GED, little or sporadic work experience, unstable living conditions, and/or criminal backgrounds.

DEED and MWCA agree that existing funding is not adequate to meet the demands of jobseekers in WorkForce Centers. As MWCA states, “no funding is allocated to specifically deliver universal services to any job seeker that walks into a resource room; rather, funds are cobbled together from the administrative dollars of each of the programs located in the WorkForce Center.”

### **Inadequate funding for training and career counseling**

DEED and MWCA have concerns that there is not enough funding dedicated to training, and both organizations mentioned the Minnesota FastTRAC Initiative as a promising practice that begins to address the training needs of Minnesotans without any sort of postsecondary degree.<sup>30</sup> As DEED states, “closer coordination between adult basic education, WorkForce Centers, and the Minnesota State College and Universities system is one of the most efficient ways to address the diverse needs of adults who need remedial education, occupational training, and supports such as child care and transportation.” Further, MWCA states that funding for “basic career and job placement services would ensure that a stronger guidance system is available to all workers, to continually plan and refine their careers.”



## Question 2

### **Q** What is the best way for Minnesota to continuously identify workforce needs at the local level, especially those unmet by existing funding streams?

As the OLA report stated, “Another important parameter will be the process for identifying unmet workforce needs, and we think both local and state perspectives should help define these needs. Local workforce councils should identify unmet needs in their areas. Because council members have a policy-making role and typically do not deliver services directly, they can look beyond existing programs and identify populations for whom services are lacking. Some councils already do this, and certain council chairs expressed frustration over their inability to target money to needs they have identified. Furthermore, the councils have members, including employers and representatives of local workforce and community-based organizations, who are knowledgeable about workforce issues.”<sup>31</sup>

### **A** Local Workforce Councils are well-positioned to assess local needs

DEED and MWCA agree that DEED should identify broad workforce needs statewide and Local Workforce Councils should play the major role in identifying local unmet needs. Both organizations cite private industry board members as a major strength of local councils in determining the needs of employers in their region. DEED encourages Local Workforce Councils to request reports from WorkForce Center staff at board meetings and use regular customer feedback surveys to better understand unmet needs. Also, MWCA offers to provide gap analysis information to state-level stakeholders, and DEED welcomes local input on unmet needs.

Several community-based organization respondents encourage Local Workforce Councils to engage nonprofit service providers in the collection of unmet needs data, as well as local business.



## **Q What process should Minnesota use to compare competing proposals for filling unmet needs and select providers?**

As the OLA report stated, “We envision a process in which workforce needs drive decisions about spending rather than the current system in which available funding determines the services offered. Because federal law limits changes to the workforce system, our recommendation would supplement, not replace, current programs. The process would determine workforce needs, compare competing proposals for filling those needs, and objectively select providers based on preset criteria.”<sup>32</sup>

In addition, “A process to meet unfilled workforce needs should use a competitive approach for selecting service providers.”<sup>33</sup>

## **A Process should assess and fill unmet needs at WorkForce Centers**

DEED strongly desires a process that ensures WorkForce Centers have the basic infrastructure to meet the unmet needs of customers. As such, demand for workforce services in WorkForce Centers must figure into the process for filling unmet needs. MWCA agrees that “service access should be a priority.” Given supplemental funding, DEED states that it could “compare the demand for services [in WorkForce Centers] reported by local areas and distribute staff and/or resources.”

### **Process should allow local councils to determine how to fill unmet needs**

Even with additional resources, MWCA asserts that “employers and job seekers will fall through the cracks if there isn’t a flexible, locally-driven, real-time process in place.” As such, MWCA views a cooperative process as more helpful than a competitive process. Even if a request for proposals process were put in place, MWCA stated that “Local Workforce Councils should ultimately determine which programs meet the needs of their workforce and economies.”

### **Competitive process valued by community-based providers**

Several community-based service providers assert the importance of a competitive process, especially as a means of promoting effective and innovative service delivery. While Local Workforce Councils may be the best place to identify broad local needs, other providers can also provide valuable services that lead to desired long-term outcomes.

### **Return on investment measurement a promising practice**

MWCA and several community-based providers also mention measuring return on investment for workforce programs and suggest it could be used as a criteria for selecting providers. The GWDC’s ROI Initiative is mentioned by several respondents as a promising model to begin measuring the impact of various programs.<sup>34</sup>



## Question 4

### **Q** Once needs are determined and a process is identified, how should unmet workforce needs be funded in Minnesota, including funding level(s) and source(s)?

As the OLA report stated, “Addressing the gaps in service identified through this process will require funding. One option would be to draw from future incentive grants (or a portion of them) awarded by the U.S. Department of Labor. In the past, the state has distributed incentive awards based on a statewide theme, such as increasing low-skilled adults’ occupational skills. This approach is sound but need not be the only one. Using incentive grants to address unmet local needs would fit federal criteria for the grants. A second funding option is the state’s Workforce Development Fund, the use of which would require legislative approval.”<sup>35</sup>

### **A** State support for WorkForce Centers requested

DEED points out that Minnesota does not provide state resources for basic services in WorkForce Centers despite a state-run Workforce Development Fund. As such, DEED has been concerned about the amount of direct appropriations granted by the legislature from the Workforce Development Fund because it results in “insufficient resources during the recession to fulfill its original intent to serve dislocated workers.” DEED asserts that without a state commitment to provide basic support for WorkForce Centers, “the ability to meet the unmet needs of universal customers<sup>36</sup> will be difficult.”

#### **Leveraging funds**

MWCA, while acknowledging the state’s deficit, encourages maximizing available funding by leveraging WIA 10% funds<sup>37</sup> with private, non-profit, community and foundation investments. Also, MWCA mentions that Minnesota Job Skills Partnership funds could be “redeployed to better address the training needs of employers.”

#### **Long-term goals for funding**

Several community-based organizations indicate that funding should be based on meeting long-term performance goals and not simply distributed to Local Workforce Councils. Sources of funding mentioned included state incentive funds and leveraged local investments. Regardless of source, several respondents mentioned the benefits of longer-term investments that do not operate over single fiscal years.



**Q** Once implemented, how should the process identified in Question #4 be evaluated?

**A** **Long-term outcomes and regional prosperity**  
DEED supports evaluation that is based on meaningful long-term outcomes, such as increasing the postsecondary education completion rate. Similarly, MWCA supports evaluation that focuses on a “system impact approach,” one that considers the impact to regional prosperity including job creation and business growth. MWCA asserts that DEED or the GWDC could serve as an independent evaluator based on criteria agreed to by state and local entities.

**Quantitative criteria based on local needs**

Several community-based providers insist that evaluation focus on outcomes, but that pre-set criteria limits the ability of providers to meet local needs. Several respondents mention return on investment, or similar measurements, as promising evaluation criteria. MWCA also points to the U.S. Department of Labor’s regression-based method for performance targeting, for which Minnesota is a pilot state, as a possible criteria.



## Part III: Recommendations

How can Minnesota's WorkForce Centers better serve customers and help to close the skills gap? The following three recommendations and process for identifying unmet needs will help Minnesota's workforce system meet the long-term needs of workers and businesses. No one policy will be able to close the skills gap, but with the support of state funds and agencies, WorkForce Centers can transition from crisis intervention to important, longer-term goals like closing the skills gap.

It should be noted that these recommendations do not require additional state funds, but rather a realignment of existing funds. Workforce system partners seek to meet the high demand for services and skills within existing means. By strategically using existing resources to fill the most crucial unmet needs and address long-term goals, Minnesota can be ready for tomorrow's economy.

### **Recommendation 1: The State should align discretionary state resources to adequately fund services to customers in WorkForce Centers.**

Federal law limits Minnesota's ability to comprehensively reform workforce programs. However, state legislators do oversee significant state funds for workforce and training (see page 9 for breakdown of state workforce spending). As much as possible, discretionary funds should be used to strategically address the state's most pressing workforce needs. As this report has chronicled, Minnesota's workforce partners agree that adequate funding for staff would allow WorkForce Centers to more effectively serve the 20,000 customers who seek WorkForce Center services each month. This high demand, which has been documented in many previous state reports from the Department of Employment and Economic Development, Minnesota Workforce Council Association, and the GWDC, represents an unmet need that Minnesota can and should address.<sup>38</sup>

Minnesota's lack of funding for WorkForce Center staff is due, in part, to the fact that Minnesota's allocation of federal Wagner-Peyser funding has remained virtually unchanged since 1983. To illustrate, in 1983 \$12 million funded 433 Full-time Equivalent (FTE) staff. Today, the same amount pays for only about 140 FTE staff members.<sup>39</sup> While many states use their own funds to supplement federal Wagner-Peyser resources to meet staffing needs, Minnesota does not.

### **Recommendation 2: WorkForce Centers should address the skills gap directly by providing assessments, career counseling, and other resources that help workers and jobseekers obtain some sort of postsecondary education or training.**

Minnesota's workforce system must transition from focusing on short-term outcomes to focusing on long-term goals. As stated in this report, 70 percent of Minnesota jobs will require education beyond high school in just seven years. Yet today, only 40 percent of working-age adults in Minnesota have a postsecondary degree, such as associate's or bachelor's degree.<sup>40</sup>

Minnesota's WorkForce Centers and service delivery system must serve as a foundation for meeting the state's high demand for skilled workers. Though already strained for resources and facing unprecedented demand for service, it is essential

No one policy will be able to close the skills gap, but with the support of state funds and agencies, WorkForce Centers can transition from crisis intervention to important, longer-term goals like closing the skills gap.



For the two million Minnesotans without any sort of postsecondary education, WorkForce Centers should be the place to go to get support and guidance.

that the system transition from crisis intervention to longer-term goals. Navigating the path toward postsecondary credentials is difficult, especially while working. For the two million Minnesotans without any sort of postsecondary education, WorkForce Centers should be the place to go to get support and guidance. *Recommendation 1*, which calls for adequate staff in resource rooms, should help make sustained career counseling, assessments, and educational path navigation a reality for more WorkForce Center customers.

The Minnesota FastTRAC Initiative has been cited by the Department of Employment and Economic Development and the Minnesota Workforce Council Association as a specific strategy that WorkForce Centers can use to tackle the skills gap — by addressing the training needs of Minnesotans without any sort of postsecondary degree. The FastTRAC approach is centered around coordination between adult basic education, WorkForce Centers, and the MnSCU system, which has been described as one of the most efficient ways to provide remedial education, occupational skills training, and supports such as child care and transportation. As the Minnesota Workforce Council Association asserts, “basic career and job placement services would ensure that a stronger guidance system is available to all workers, to continually plan and refine their careers.”<sup>41</sup>

**Recommendation 3: The State should empower Local Workforce Councils to continuously identify needs and gaps in local workforce services, and regularly report unmet local needs to the Department of Employment and Economic Development and the Legislature.**

Since Local Workforce Councils have fiduciary responsibility for the federal funds they receive, they are required to manage the details of meeting short-term placement goals. However, with private sector board members and others who have information about local needs and the local economy, local workforce councils are in the best position to report on unmet workforce needs. With such collective wisdom, Local Workforce Council members should focus more on identifying local unmet needs and determining how best to fill them.<sup>42</sup>

As recommended by the Office of the Legislative Auditor, reports from Local Workforce Councils should consider the full scope of workforce needs in their areas.<sup>43</sup> Many different methods should be employed by local councils to continuously identify unmet needs, including regular reports from WorkForce Center staff at meetings and regular customer feedback surveys. In addition to identifying populations for whom services are lacking, Local Workforce Councils should consult with local community-based service providers, nonprofits, and local chambers of commerce.

Local Workforce Councils should agree to a consistent approach for observing, documenting, and measuring unmet needs. Though anecdotal evidence may be helpful, a standardized approach based on quantitative data and surveys would help compare reports from different areas of the state. When developing a standardized approach, Local Workforce Councils should use the guiding principles developed by the GWDC specifically for this process (see Appendix IV, page 27). Once determined by Local Workforce Councils, a general report template should be submitted to the Department of Employment and Economic Development and the GWDC for input.

Regular reports on unmet needs should be submitted to the Department of Employment and Economic Development, which should compile reports and communicate needs to legislators. Ideally, the reports about unmet needs would be used by legislators when making any discretionary workforce and training spending decisions.

**Process to identify and address local gaps in workforce services**

If state workforce funding is available, the GWDC recommends that *Recommendation 1* – adequately funding staff in WorkForce Centers – be the first priority. As stated



earlier, workforce partners agree that adequate funding for staff would allow WorkForce Centers to better address many of the state's unmet workforce needs. Only after *Recommendation 1* has been addressed should a competitive process be used for distributing remaining funds.

Clearly, the Office of the Legislative Auditor believes it important that a competitive approach for selecting service providers be used to address unmet needs.<sup>44</sup> In its GWDC survey response, the Department of Employment and Economic Development states that it could compare the various reports from local boards about unmet needs and distribute staff and/or resources accordingly. Conversely, the Minnesota Workforce Council Association asserts that Local Workforce Councils should ultimately determine which programs meet the needs of their workforce and local economies, perhaps using a request for proposals process similar to that used to distribute FastTRAC funds. Finally, several community-based organizations advocate for an open and competitive process based on unmet needs and each providers' ability to meet that need.

With only hypothetical funds to distribute in a legislative year struggling to deal with a record deficit, it may be unlikely that there will be additional workforce and training funds, especially if *Recommendation 1* is given priority. However, given funds, it seems reasonable that legislators use reports from Local WorkForce Councils and the Department of Employment and Economic Development to set goals for filling specific needs. Based on the need legislators wish to fill, the Department of Employment and Economic Development could develop a request for proposals with input from the GWDC and Local Workforce Councils.

A competitive proposal process would allow community-based service providers and non-profits the opportunity to compete and/or collaborate with Local Workforce Councils to best meet unmet local needs. Proposals should be judged based on two primary factors. First, proposals should be judged on how well they fill unmet needs reported by Local Workforce Councils and identified by legislators. Second, one or more quantitative measures such as return on investment should be used to judge proposals. Though still under development for use by the Department of Employment and Economic Development, the GWDC's Return on Investment tool (or a similar quantitative measure) could be used by organizations requesting funding.<sup>45</sup>

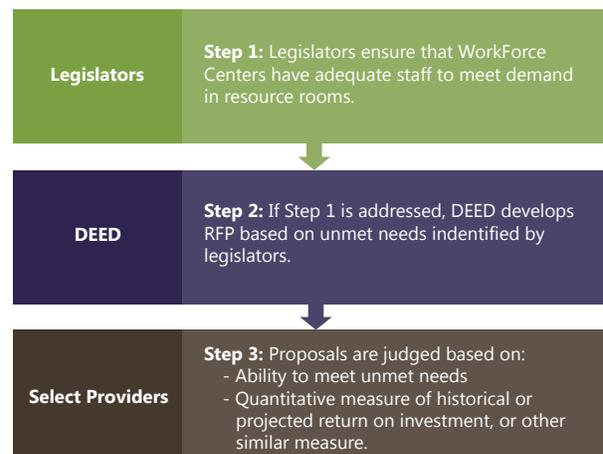
Importantly, this ongoing process should help the state use discretionary workforce funds to strategically address the most pressing unmet needs with the help of the organizations best able to fill those needs.

Workforce partners agree that adequate funding for staff would allow WorkForce Centers to better address many of the state's unmet workforce needs.

#### ONGOING PROCESS FOR REPORTING UNMET NEEDS



#### PROCESS FOR SELECTING PROVIDERS FOR DISCRETIONARY WORKFORCE FUNDS







# Appendix I

## DEED response to GWDC survey December 2010

### 1. What are the major workforce needs unmet by existing funding streams?

*The Department of Employment and Economic Development is committed to providing and improving services to all populations. Core services, which are provided in Minnesota WorkForce Centers, are designed to help any and all jobseekers with unmet needs. However, there are two main reasons why currently offered core services are unable to meet all needs.*

*First, several factors including high unemployment have resulted in a consistently higher demand for core services in WorkForce Centers. Even before the recession, it was difficult to meet the demand of all universal customers.*

*Second, funding constraints make it difficult to provide core services to all universal customers seeking services. Since 1983, Minnesota's allocation of Wagner-Peyser funding has remained virtually unchanged in dollar amount. In 1983, \$12 million funded a staff of 433 Full-time Equivalent (FTE) staff. In today's economy, the same amount pays for only about 140 FTE staff members.*

*On a more fundamental level, services in WorkForce Centers generally only meet universal customers' needs for job placement, basic job search, and resume writing. Unfortunately, due to limited funding, many universal customers have training needs that are not met. As DEED has stated before, closer coordination between adult basic education, WorkForce Centers, and the MnSCU system is one of the most efficient ways to address the diverse needs of adults who need remedial education, occupational training, and supports such as child care and transportation. Support for the Minnesota FastTRAC Initiative is one of the ways DEED is beginning to address the training needs of Minnesotans without any sort of postsecondary degree (approximately 60 percent of working-age adults).*

### 2. What is the best way for Minnesota to continuously identify workforce needs at the local level, especially those unmet by existing funding streams?

*The Department of Employment and Economic Development identifies broad workforce needs statewide and administers workforce programs accordingly. However, as stated by the OLA, local workforce councils should play a major role identifying unmet needs in their areas. With private sector board members and others with information about local needs and the local economy, local workforce councils are well-positioned to determine and report on unmet workforce needs. Many different methods could be employed by local councils, including regular reports from WorkForce Center staff at council meetings and customer feedback surveys.*

*DEED welcomes local input on unmet needs and could use regular reports from local areas to help coordinate regional responses to meet these critical needs.*

### 3. What process should Minnesota use to compare competing proposals for filling unmet needs and select providers?

*It is true that fragmentation of the federal Workforce Investment Act (WIA) of 1998 has made it difficult to fully integrate services at one-stops, especially because it provides no requirement that other partners set aside resources to pay for one-stop infrastructure. While many states supplement federal Wagner-Peyser spending with state resources, Minnesota does not. For these reasons, DEED has been concerned about the amount of direct appropriations granted by the legislature from the Workforce Development fund, largely because it has resulted in insufficient resources during the recession to fulfill its original intent to serve dislocated workers.*



*At a minimum, Minnesota should have a process that ensures the one-stop system has the basic infrastructure to serve the unmet needs of universal customers. The state currently has 49 WorkForce Centers and it is difficult to provide adequate services in every location. Yet, Minnesota has an obligation to offer basic services to all job seekers at one-stops. As stated earlier, local councils should play a major role identifying these unmet needs. Given supplemental funding for unmet core services, DEED could certainly compare the demand for services reported by local areas and distribute staff and/or resources.*

**4. Once needs are determined and a process is identified, how should unmet workforce needs be funded in Minnesota, including funding level(s) and source(s)?**

*Although some states supplement federal Wagner-Peyser funding to support services in WorkForce Centers, Minnesota does not provide state resources for core services despite a state-run Workforce Development Fund. Currently, the state's Workforce Development Fund is used to support dislocated workers and multiple other organizations that provide various services that may or may not meet unmet needs. As stated earlier, DEED has been concerned about the amount of direct appropriations granted by the legislature from the Workforce Development Fund, largely because it has resulted in insufficient resources during the recession to fulfill its original intent to serve dislocated workers.*

*The resources to support a process that fills unmet needs must be sustained and ongoing. Meeting unmet needs will require staff to provide services to customers, which makes the use of incentive funds untenable. Without a state commitment to provide basic support for one-stops, the ability to meet the unmet needs of universal customers will be difficult.*

**5. Once implemented, how should the process identified in Question #4 be evaluated?**

*The process to identify and fill unmet needs should be evaluated based on meaningful long-term outcomes. As the GWDC's 2011 Policy Advisory ("All Hands on Deck") states,*

*Just seven years from now, 70 percent of Minnesota jobs will require education beyond high school. Yet today, only 40 percent of working-age adults in Minnesota have a postsecondary degree, such as associate's or bachelor's degree.*

*Minnesota's workforce system must transition from focusing on short-term outcomes to focusing on long-term goals. Minnesota's WorkForce Centers and core service delivery must be a foundation for meeting the state's high demand for skilled workers. If sufficiently funded, WorkForce Center core services, with support from other stakeholders like DEED, could provide individual assessment and career counseling that eventually leads to longer-term goals such as skill development and credentialing.*



# Appendix II

## MWCA response to GWDC Survey December 2010

### 1. What are the major workforce needs unmet by existing funding streams?

*First, the existing funding streams are not adequate to meet the demand for services currently being provided. The WorkForce Center System was designed to be a one-stop system. However, the continued decline of financial resources coupled with increased demand due to the poor economy is keeping service providers in survival mode.*

*A major concern for local Workforce Councils is ensuring there are resources available to address the large number of workers at all income levels that need training to acquire skills that match local jobs. Resources and policies that offer adults ongoing basic skills and postsecondary occupational training while they are employed, with prescribed pathways that lead to educational credentials and advancement within particular industries, should be further explored and promoted.*

*One of the system's biggest unmet needs is that that employment and training programs for welfare clients don't really address long-term self sufficiency. The goal is to move people off benefits quickly. This is in conflict with the Workforce Investment Act value of training. There needs to be a better coordinated response/approach. Individuals on welfare - who are often the least competitive in the workforce - are currently required to do work search, while dislocated workers - who are at the onset more competitive due to their work history and skills- have more opportunity to acquire skills training.*

*Finally, there is a need to reach individuals who are currently not seeking help from WorkForce Centers. These are potential clients who either are not aware of services, or do not feel they need assistance. While the current Workforce Investment Act mandates the co-location of several programs to support a robust, locally-led, "one-stop" system, no funding is allocated to specifically deliver universal services to any job seeker that walks into a resource room; rather, funds are cobbled together from the administrative dollars of each of the programs located in the WorkForce Center. Providing funding to Workforce Councils explicitly to support basic career and job placement services would ensure that a stronger guidance system is available to all workers, to continually plan and refine their careers. We need to allow local control of some funds to be able to assist those who do not fit the "cookie cutter" issues of the workforce services and the economy.*

### 2. What is the best way for Minnesota to continuously identify workforce needs at the local level, especially those unmet by existing funding streams?

*State and local experts must work together to develop a sense of trust in each other and confidence in the work that each does. At the state level, the Administration should coordinate in determining broad needs across agencies. However, it is critical that strong local leadership and flexibility for Local Elected Officials and Local Councils remain at the core of the workforce development system. This ensures the development of programs that are informed by in-depth knowledge of the local business community, the hiring and training needs of local and regional businesses, and the promotion of accountability as policies are designed to reflect local trends.*

*Strong private industry board members and other local employers are critical in providing the specific information that can be translated into workforce training programs in a coordinated manner. Council members and staff can assist companies in hiring and accommodating non-traditional workers, educate business about the changing and emerging labor pool, and help them assess their workplace practices as they relate to non-traditional workers. The current locally-driven system also encourages employers to create skill alliances, encouraging them to act together to address labor shortages*



and skill development needs.

The workforce system includes partners who are continually forming strategic alliances with other service providers (public, private, and non-profit) to leverage resources and align efforts. Federal and State resources, measures and awards should be coordinated across agencies and align with efforts to provide services that address local needs.

### **3. What process should Minnesota use to compare competing proposals for filling unmet needs and select providers?**

Workforce funding should be directed toward business-defined needs and delivery systems which show the best understanding of those needs and a capability to respond. Although competition may be helpful, MWCA views cooperation as a more effective approach. Particularly in rural areas, there are limited providers, and having them work together to leverage resources would be preferable to spending time competing for limited funding.

Devolving the authority, decision-making, and resources to the local level allows them to customize designs to meet local demands. Competitive processes could be developed if this best addresses a region's needs and resources, but employers and jobseekers will fall through the cracks if there isn't a flexible, locally-driven, real-time process in place.

If an RFP process were put in place, Local Workforce Councils should ultimately determine which programs meet the needs of their workforce and economies; a process similar to the FastTRAC model. Again, the intent/purpose of the Local Workforce Council's receiving resources, analyzing needs, and selecting providers is still sound. Due to the broad makeup of the required Council membership, it is uniquely positioned to broadly assess the community's capacity to address needs.

Service access should be a priority. Local Workforce Councils and Local Elected Officials should be responsible for diversifying models of service delivery to reach customers, and at the same time maintain strategically located physical space for those who need face-to-face assistance.

If new performance metrics are put in place, transparency, shared accountability, and continuous improvement could be considered. A regression model, to eliminate disincentives to work with those who are hardest to serve, should be utilized.

Ultimately, MWCA promotes local decision making and accountability through processes that are value-added, cost effective, and provide a return on investment (ROI). While MWCA does have its own ROI measurement, we acknowledge that comparing ROI measures that are calculated using different methodologies is inappropriate and could be misleading. To that end, the MWCA has participated in the GWDC's legislatively mandated ROI Initiative which will encourage the use of a standard tool across various workforce and training programs.

### **4. Once needs are determined and a process is identified, how should unmet workforce needs be funded in Minnesota, including funding level(s) and source(s)?**

Given the deficit currently facing the state of Minnesota and the pressures for funding facing Congress, this is a difficult question to answer. Minnesota needs to maximize all available workforce development resources and to capture more of the competitive public and private funds available so as to serve and meet the needs of employers and job seekers. To this end, MWCA has advocated for and begun creating "rapid response" team to effectively and efficiently respond to funding opportunities which involves key state and local partners in the workforce development system.

WIA 10% dollars and incentive funds are the most flexible funding currently available in the workforce development system. When these dollars are leveraged with private, non-profit, community and foundation investments at the local level, gaps in current services can often be better addressed.

Some feel that Minnesota Job Skills Partnership funds could be redeployed to better address the training needs of employers. Redundancy in the system- i.e. curriculum developed by one employer that could be used by others, the small numbers of employers that currently benefit, and the inability to sustain one-time funding were raised as concerns about the program as it currently exists.

### **5. Once implemented, how should the process identified in Question #4 be evaluated?**

Of value to the Local Workforce Councils would be a "systems impact" approach- how does this positively impact regional prosperity and enhance regional capacity to ad-



*dress emerging needs? Has the investment created new jobs and new business growth? Has training addressed the demands of local employers?*

*DEED or the GWDC could act as an independent evaluator of outcomes, based on criteria jointly created between state level and local entities. As stated earlier, MWCA supports performance measurement systems that take into account the challenges associated with assisting the hardest to serve populations. In fact, Minnesota is a pilot state for the Department of Labor's regression-based method for performance target setting for federal employment and training programs. As stated by the DOL, "this method statistically controls for external factors, such as local unemployment rates and participant characteristics; factors that are considered when reaching agreement on performance levels. Controls for external factors "level the playing field" across states and local workforce service areas by making the targets neutral with respect to who is served and local labor market conditions." This pilot project could inform future discussions regarding performance measurement. Current measures such as customer satisfaction and placement, retention and skills attainment could be included.*



# Appendix III

## **Community-based service providers in WorkForce Centers and organizations receiving direct legislative appropriations in fiscal year 2011**

The following organizations were contacted via email to participate in the GWDC survey. A request was sent in October 2010 followed by a reminder in November 2010. Eleven responses were received from community-based service providers. Five responses were received from organizations receiving direct legislative appropriations.

### **Community-based service provider in WorkForce Centers**

Access to Employment	LifeTrack Resources
AchieveMpls	Lifeworks Services
American Indian OIC of Minneapolis	Lutheran Social Service of Minnesota
Arrowhead Economic Opportunity Agency (AEOA)	MACC Alliance of Connected Communities
CAPI USA	Midwest Special Services
Community Action Duluth	Minnesota Valley Action Council
Courage Center	Occupational Development Center
East Suburban Resources	Opportunity Partners
Emerge	Opportunity Services, Inc.
Employment Endeavors	Options, Inc.
Goodwill Easter Seals	Phoenix Alternatives of Minnesota
Greater Twin Cities United Way	Pillsbury United Communities
Guild, Inc.	Productive Alternatives, Inc.
HIRED	Project for Pride in Living
Hmong American Partnership	RESOURCE, Inc.
Human Development Center	SOAR Career Solutions
International Institute of Minnesota	Summit Academy OIC
Jewish Family and Children's Services of Minneapolis	Tree Trust
Jewish Family Service	Tubman Family Alliance
Kaposia	Twin Cities RISE
Lao Family Community of Minnesota	United Way of Greater Duluth

### **Organizations receiving direct legislative appropriations in fiscal year 2011 for workforce-related activities**

Lifetrack Resources  
Opportunities Industrialization Centers  
Twin Cities RISE!  
MDI (Minnesota Diversified Industries)  
MEC (MN Employment Center for People Who Are Deaf or Hard of Hearing)  
Northern Connections  
ACT (Advocate Change Together)  
MNWorks!  
VECTOR  
Minnesota Alliance of Boys & Girls Clubs  
Minneapolis Learn-to-Earn  
Minneapolis Summer Youth  
St. Paul Summer Youth



# Appendix IV

## Guiding Principles

Based on guidance from the Office of the Legislative Auditor<sup>46</sup>, the GWDC recommends the following guiding principles be used by Local Workforce Councils as they report on local gaps in workforce services:

- » **Useful** – Reports should help providers improve programs and help legislators and others understand unmet needs
- » **Transparent** – Reports should be easily understood by experts, users, and the general public
- » **Trusted** – Reports should be seen as credible by experts, users, and the general public
- » **Adaptable** – Reports should be able to change based on varying needs
- » **Easy** – Reports should be easy to address

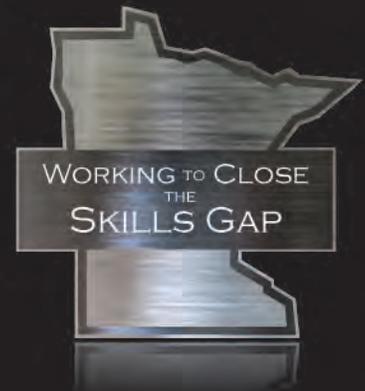


# Endnotes

- <sup>1</sup> *Unduplicated count of customers visiting Minnesota WorkForce Centers Each Month.* (January 2011). Department of Employment and Economic Development.
- <sup>2</sup> "Postsecondary education or training" includes any industry-recognized credential, including certificates.
- <sup>3</sup> Carnevale, A. P. et al. (2010). *Help Wanted: Projections of Jobs and Education Requirements Through 2018.* Georgetown University Center on Education and the Workforce. Available at <http://www.cew.georgetown.edu/jobs2018>.
- <sup>4</sup> Ibid.
- <sup>5</sup> Ibid.
- <sup>6</sup> *Minnesota Measures. 2009 Report on Higher Education Performance.* Minnesota Office of Higher Education. Available at: <http://www.cpec.ca.gov/CompleteReports/ExternalDocuments/MinnesotaMeasures2009.pdf>.
- <sup>7</sup> *Customer Service to Unemployed Workers in WorkForce Centers.* Department of Employment and Economic Development. (September 2010). Page 5. Available at: [http://www.positivelyminnesota.com/About\\_Us/Legislative\\_Focus/Word\\_Documents/Customer\\_Service\\_in\\_WFCs\\_Report.docx](http://www.positivelyminnesota.com/About_Us/Legislative_Focus/Word_Documents/Customer_Service_in_WFCs_Report.docx).
- <sup>8</sup> See *Customer Service to Unemployed Workers in WorkForce Centers.* (September 2010). Department of Employment and Economic Development. Page 6. See also *Minnesota Workforce Council Association WIA Reauthorization Priorities.* (2010). Minnesota Workforce Council Association. See also *Workforce Programs.* (2010). Office of the Legislative Auditor. Page 59. Available at: <http://www.auditor.leg.state.mn.us/PED/2010/workforce.htm>.
- <sup>9</sup> *Workforce Programs.* Office of the Legislative Auditor. (2010). Page 59.
- <sup>10</sup> Ibid. Page 57.
- <sup>11</sup> *Unduplicated count of customers visiting Minnesota WorkForce Centers Each Month.* Department of Employment and Economic Development. (2011, January).
- <sup>12</sup> Carnevale, A. P., Smith, N., & Strohl, J. (2010, June). *Help Wanted: Projections of Jobs and Education Requirements Through 2018.* Georgetown University Center on Education and the Workforce. Available at: <http://www.cew.georgetown.edu/jobs2018>.
- <sup>13</sup> *Minnesota Measures. 2009 Report on Higher Education Performance.* Minnesota Office of Higher Education. Available at: <http://www.cpec.ca.gov/CompleteReports/ExternalDocuments/MinnesotaMeasures2009.pdf>
- <sup>14</sup> Kelly, P. J. (2005). *As America Becomes More Diverse: The Impact of State Higher Education Inequality.* Boulder, CO. National Center for Higher Education Management Systems. Available at: <http://www.nchems.org/pubs/docs/Inequality%20Paper%20Jan2006.pdf>
- <sup>15</sup> *Changing the fortunes of America's workforce: A human capital challenge.* (2009). McKinsey Global Institute. Available at: [http://www.mckinsey.com/mgi/publications/changing\\_fortunes/](http://www.mckinsey.com/mgi/publications/changing_fortunes/)
- <sup>16</sup> Carnevale, A. P. et al. (2010). *Help Wanted: Projections of Jobs and Education Requirements Through 2018.* Georgetown University Center on Education and the Workforce. Available at <http://www.cew.georgetown.edu/jobs2018>.
- <sup>17</sup> See *Customer Service to Unemployed Workers in WorkForce Centers.* (September 2010). Department of Employment and Economic Development. Page 6. See also *Minnesota Workforce Council Association WIA Reauthorization Priorities.* (2010). Minnesota Workforce Council Association.
- <sup>18</sup> *Workforce Programs.* (2010). Office of the Legislative Auditor. Page xi.
- <sup>19</sup> \$245 million does not include most MFIP spending or one-time ARRA funds.
- <sup>20</sup> *Workforce Programs.* (2010). Office of the Legislative Auditor. Page 59.
- <sup>21</sup> *Minnesota's WorkForce Centers Resource Area Study.* (2009). Governor's Workforce Development Council. Page 11.



- <sup>22</sup> *Workforce Programs*. (2010). Office of the Legislative Auditor. Page 80.
- <sup>23</sup> Soares, Louis. (2009). *Working Learners*. Center for American Progress. Available at [http://www.americanprogress.org/issues/2009/06/working\\_learners.html](http://www.americanprogress.org/issues/2009/06/working_learners.html). Page 21.
- <sup>24</sup> Soares, Louis. (2009). *Working Learners*. Center for American Progress. Available at [http://www.americanprogress.org/issues/2009/06/working\\_learners.html](http://www.americanprogress.org/issues/2009/06/working_learners.html). Page 29.
- <sup>25</sup> *Workforce Programs*. (2010). Office of the Legislative Auditor. Page 80.
- <sup>26</sup> More information about the survey, including a list of respondents, is available in Appendix III (see page 26).
- <sup>27</sup> Complete responses from the Department of Employment and Economic Development and Minnesota Workforce Council Association are available in the Appendix (see pages 21-25). Collection of responses from community-based organizations and organizations that received a direct legislative appropriation for workforce services was difficult for a variety of reasons, and very few responses were collected from these organizations.
- <sup>28</sup> *Workforce Programs*. (2010). Office of the Legislative Auditor. Page 78.
- <sup>29</sup> Resource rooms are where the general public can seek services in WorkForce Centers.
- <sup>30</sup> GWDC recommendations concerning Minnesota FastTRAC can be found in *All Hands on Deck: Sixteen Ideas for Strengthening Minnesota's Workforce*. Governor's Workforce Development Council. (January 2011). Available at: [http://www.gwdc.org/policy\\_advisory/index.htm](http://www.gwdc.org/policy_advisory/index.htm). See Pages 6-13.
- <sup>31</sup> *Workforce Programs*. (2010). Office of the Legislative Auditor. Page 80.
- <sup>32</sup> *Ibid.* Page 79.
- <sup>33</sup> *Ibid.* Page 80.
- <sup>34</sup> More information about the GWDC Return on Investment Initiative is available at: <http://www.gwdc.org/committees/ROI/index.htm>.
- <sup>35</sup> *Workforce Programs*. (2010). Office of the Legislative Auditor. Page 80.
- <sup>36</sup> "Universal customer" refers to any customer seeking services in a WorkForce Center who is not affiliated with any specific workforce program.
- <sup>37</sup> "WIA 10%" refers to the 10% of WIA Dislocated Worker, WIA Adult, and WIA Youth allocations that are set aside for discretionary spending, some of which is required. For example, the GWDC is funded by WIA 10% funds.
- <sup>38</sup> For example, see *Customer Service to Unemployed Workers in WorkForce Centers*. (September 2010). Department of Employment and Economic Development. Page 6. See also *Minnesota Workforce Council Association WIA Reauthorization Priorities*. (2010) Minnesota Workforce Council Association. See also *Minnesota's WorkForce Centers Resource Area Study*. (2009). Governor's Workforce Development Council.
- <sup>39</sup> See DEED survey response in the Appendix of this report (page 21).
- <sup>40</sup> Carnevale, A. P. et al. (2010). *Help Wanted: Projections of Jobs and Education Requirements Through 2018*. Georgetown University Center on Education and the Workforce. Available at <http://www.cew.georgetown.edu/jobs2018>.
- <sup>41</sup> See MWCA survey response in the Appendix of this report (page 23).
- <sup>42</sup> A recommendation similar to this one was made in Soares, Louis. (2009). *Working Learners*. Center for American Progress. Available at [http://www.americanprogress.org/issues/2009/06/working\\_learners.html](http://www.americanprogress.org/issues/2009/06/working_learners.html). Page 31.
- <sup>43</sup> *Workforce Programs*. (2010). Office of the Legislative Auditor. Page 80.
- <sup>44</sup> *Ibid.* Page 79-80.
- <sup>45</sup> See two recent reports from the Department of Employment and Economic Development regarding block grant distribution and program performance: *Block Grants Management* (2011) and *Workforce Program Performance* (2011).
- <sup>46</sup> *Workforce Programs*. (2010). Office of the Legislative Auditor. Page 79-80.



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# All Hands on Deck

Sixteen Ideas  
for  
Strengthening  
Minnesota's Workforce

